

STATE OF VERMONT
FISCAL YEAR 2004
BUDGET
RECOMMENDATIONS

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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Administration

Agency Mission Statement

The Agency of Administration exists to insure the fiscal integrity of the state, to provide centralized support services for state government as well as providing selected services to Vermont municipalities and Vermont citizens, and to carry out the policy objectives of the Governor and the laws of Vermont.

Description of Departments in Agency

Chief Information Officer - provides strategic direction, oversight and accountability for all activities related to Information Technology (IT) in state government.

Finance and Management - promotes, monitors and reports upon the fiscal condition and integrity of state government.

Buildings and General Services -mission is to deliver quality operational services and facilities management, enabling government agencies to fulfill their missions.

Taxes - mission is to collect the proper amount of taxes in a timely and efficient manner.

Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont

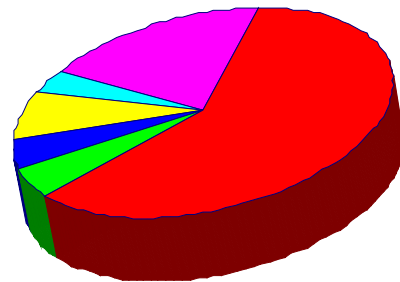
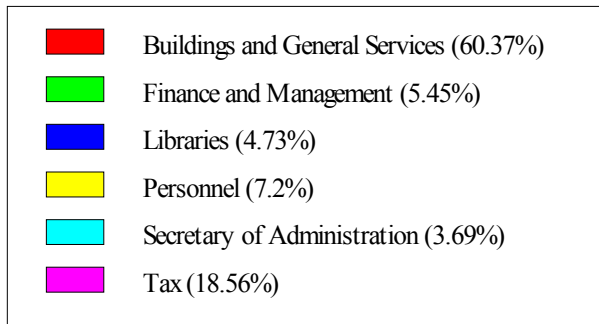
Personnel - provides leadership to and works in partnership with State government in order to promote managerial and work force excellence while fostering an understanding and observance of regulatory requirements.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Department					
Secretary of Administration	14	2,707,394	2,483,793	2,563,612	2,648,780
Finance and Management	35	2,395,165	3,385,753	3,452,489	3,918,407
Personnel	62	4,604,485	4,928,807	5,312,485	5,173,471
Libraries	38	3,327,346	3,588,108	3,844,487	3,401,761
Tax	195	13,172,291	12,482,552	12,865,766	13,337,629
Buildings and General Services	447	39,464,618	37,873,727	39,713,096	43,378,341
<hr/> TOTAL	<hr/> 791	<hr/> 65,671,299	<hr/> 64,742,740	<hr/> 67,751,935	<hr/> 71,858,389
FUND TYPE					
General Fund		22,122,863	20,722,367	21,641,648	21,467,549
Transportation Fund		5,630,968	5,438,943	6,183,484	5,954,747
Special Fund		936,661	853,447	945,209	1,232,913
Federal Revenue Fund		1,178,429	1,172,958	1,189,949	746,771
Enterprise Fund		73,534	160,633	161,762	166,023
Internal Service Fund		34,140,638	34,479,892	35,622,217	39,524,831
Interdepartmental Transfer		1,588,206	1,914,500	2,007,666	2,765,555
<hr/> TOTAL		<hr/> 65,671,299	<hr/> 64,742,740	<hr/> 67,751,935	<hr/> 71,858,389

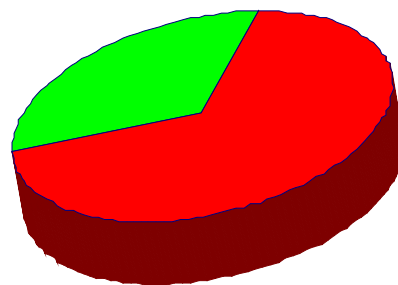
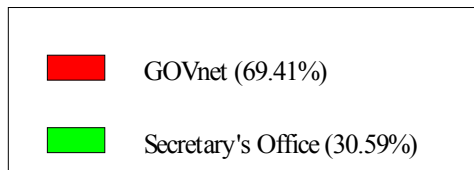
**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Administration**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Secretary's Office	8	861,297	744,643	811,325	810,148
GOVnet	6	1,846,097	1,739,150	1,752,287	1,838,632
TOTAL	14	2,707,394	2,483,793	2,563,612	2,648,780
FUND TYPE					
General Fund		369,963	387,988	396,244	371,337
Transportation Fund		59,461	61,875	61,875	61,875
Internal Service Fund		1,846,097	1,739,150	1,752,287	1,838,632
Interdepartmental Transfer		431,873	294,780	353,206	376,936
TOTAL		2,707,394	2,483,793	2,563,612	2,648,780



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	840,530	687,040	749,563	744,246
Operating Expenses	20,767	57,603	61,762	65,902
<hr/> TOTAL	<hr/> 861,297	<hr/> 744,643	<hr/> 811,325	<hr/> 810,148
FUND TYPE				
General Fund	369,963	387,988	396,244	371,337
Transportation Fund	59,461	61,875	61,875	61,875
Interdepartmental Transfer	431,873	294,780	353,206	376,936
<hr/> TOTAL	<hr/> 861,297	<hr/> 744,643	<hr/> 811,325	<hr/> 810,148

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
GOVnet

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	451,201	383,058	396,195	642,872
Operating Expenses	1,394,896	1,356,092	1,356,092	1,195,760
<hr/> TOTAL	<hr/> 1,846,097	<hr/> 1,739,150	<hr/> 1,752,287	<hr/> 1,838,632
FUND TYPE				
Internal Service Fund	1,846,097	1,739,150	1,752,287	1,838,632
<hr/> TOTAL	<hr/> 1,846,097	<hr/> 1,739,150	<hr/> 1,752,287	<hr/> 1,838,632

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Finance and Management

Department Mission Statement

To promote, monitor, and report upon the fiscal condition and fiscal integrity of Vermont state government; to make related management recommendations to the Secretary of Administration and the Governor; and to develop and advocate for fiscally responsible budgets as well as to administer and maintain those budgets once approved by the General Assembly.

Description of Appropriations, Divisions, & Programs

The department consists of two divisions - Budget and Management and Financial Operations. Budget and Management assists in the development of the Governor's recommended budget, monitors and defends the passage of the budget through the legislature, and manages the adopted budget throughout the fiscal year. Financial Operations maintains and operates the state's centralized accounting system, provides related controls and services for managers and employees of state government, and generates reliable financial information that is in accord with generally accepted accounting principles.

Budget and Management

The Budget and Management Division is responsible for maintaining the State's sound fiscal condition and maintains a liaison relationship with all departments in state government to assure proper application of spending and compliance with the various appropriations bills and other key statutes. The Division is also responsible for revenue projecting and reporting. In meeting its responsibilities the Division works to limit spending growth to sustainable levels and to maintain budget stabilization reserves of at least 5% of total prior year appropriations in the general fund, transportation fund, and education fund. The Division works to limit reliance on supplemental appropriations through the Budget Adjustment Act and ensures that the Governor's capital bill recommendations comply with recommendations of the Debt Affordability Committee. An important role of the Division is to assure compliance with Bulletin 3.5, the contracting review and approval process.

Financial Operations

The Financial Operations Division has experienced an extensive restructuring over the past 18 months. With the implementation of VISION (Vermont Integrated Solution for Information and Organizational Needs), Financial Operations has evolved from a reactionary, process oriented division to one that is more proactive and one that provides a much greater oversight role than it has in years past. With the implementation of VISION, state government has also been able to eliminate several other accounting systems that were previously required for special accounting purposes. Statute requires that all state disbursements by the Treasurer be approved first by the Commissioner of Finance and Management and warrants then provided to the Treasurer. Financial Operations is responsible for the processing of and monitoring of warrants.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Finance and Management

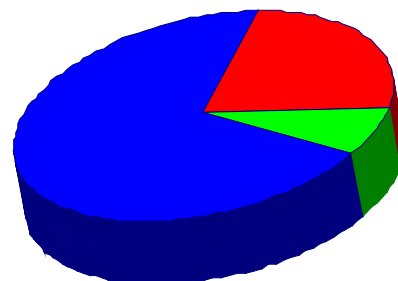
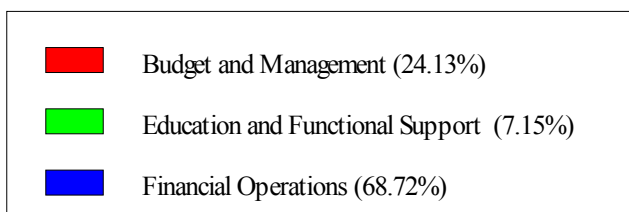
The Financial Operations Division is now consists of two distinct areas, the Financial Services Section and the Technical Services Section. The Financial Services Section performs two primary roles, accounting and auditing. Accounting responsibilities include establishing and monitoring appropriations, as approved by the legislature. Additionally, Financial Services is the primary resource for departments on proper accounting procedures. Audit responsibilities include assuring that departments are functioning within the framework of all policies and procedures set forth by the Department of Finance and Management and the Agency of Administration and to assure that departments are maximizing the information opportunities and the best practices available within VISION. In addition to accounting and auditing, Financial Services publishes the state's Comprehensive Annual Financial Report and works closely with the State Treasurer in projecting and monitoring the cash flow of state government.

The Technical Services Section performs two primary roles, technical support and functional support. Technical support responsibilities include support for all the modules within VISION, support of interfaces to and from VISION, technical report writing, database administration, and hardware support. Functional support responsibilities include providing on-going training to end users in the departments, providing support services for problems and issues as they are called in to a central helpdesk. Other responsibilities with regard to functional support include seeking, researching, and developing system enhancements that will continue to improve the functionality and best practices of the VISION system.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Finance and Management

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Financial Operations	24	1,578,547	2,239,059	2,285,061	2,692,658
Budget and Management	11	816,618	847,904	868,638	945,535
Education and Functional Support	0	0	268,790	268,790	280,214
Governor's Transition	0	0	30,000	30,000	0
TOTAL	35	2,395,165	3,385,753	3,452,489	3,918,407
FUND TYPE					
General Fund		1,440,958	642,323	662,747	706,698
Transportation Fund		488,614	132,511	138,268	137,467
Special Fund		124,424	0	0	0
Federal Revenue Fund		5,000	0	981	0
Internal Service Fund		0	2,507,849	2,544,935	2,802,422
Interdepartmental Transfer		336,169	103,070	105,558	271,820
TOTAL		2,395,165	3,385,753	3,452,489	3,918,407



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Financial Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,501,880	1,280,477	1,326,479	1,676,539
Operating Expenses	76,667	958,582	958,582	1,016,119
<hr/> TOTAL	<hr/> 1,578,547	<hr/> 2,239,059	<hr/> 2,285,061	<hr/> 2,692,658
FUND TYPE				
General Fund	766,849	0	5,350	0
Transportation Fund	356,106	0	2,585	0
Special Fund	124,424	0	0	0
Federal Revenue Fund	5,000	0	981	0
Internal Service Fund	0	2,239,059	2,276,145	2,522,208
Interdepartmental Transfer	326,168	0	0	170,450
<hr/> TOTAL	<hr/> 1,578,547	<hr/> 2,239,059	<hr/> 2,285,061	<hr/> 2,692,658

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Budget and Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	768,839	751,844	772,578	832,540
Operating Expenses	47,779	96,060	96,060	112,995
<hr/> TOTAL	<hr/> 816,618	<hr/> 847,904	<hr/> 868,638	<hr/> 945,535
FUND TYPE				
General Fund	674,109	612,323	627,397	706,698
Transportation Fund	132,508	132,511	135,683	137,467
Interdepartmental Transfer	10,001	103,070	105,558	101,370
<hr/> TOTAL	<hr/> 816,618	<hr/> 847,904	<hr/> 868,638	<hr/> 945,535

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education and Functional Support

Performance Program Information

Results

An important role of the Technical Services Section of the Department of Finance and Management is to meet the educational and functional support needs of the State staff that use the VISION system. The goal is to have a workforce that can use all of the capabilities of the system properly and efficiently.

Key Indicators

- 1) Number of services provided that are characterized as a transfer of knowledge concerning the operation and capabilities of the VISION system through various media and methods, including memos, one-on-one training, manuals, classes, and instructional calls.
- 2) Number of services provided that are characterized as a support or research activity that extend the capacity or capabilities of the system, including problem calls that lead to research and testing, VISION Evaluation and Recommendation Teams (VERT), defining alternate business and system processes, operational support activities related to system updates and maintenance.

Story Behind the Baseline Performance

As a part of the Technical Services Section of the Department of Finance and Management, the Educational and Functional Support Program provides a unique service for the VISION system. Created to be more than just a 'dispatch system', it combines the qualities of a customer relationship management (CRM) system with a customer support focus. A Help Desk of seasoned and experienced financial personnel staffs the program. For telephone inquiries, the goal is to provide a solution to the caller without having to refer the call to other functional or technical staff. Through customer relationship management, individual's particular needs can be identified and customized educational/instructional programs designed. Help desk staff provide support services such as loading data and running processes and updates, creating queries to monitor processing and provide information to troubleshoot problems or identify potential problems. As chairpersons of the VERT, the staff work with users who actively review system processes, enhancement requests, reports, procedures and provide functional support for testing upgrades and enhancements.

The Education and Functional Support Program was established when the VISION system was implemented on July 1, 2001 with the creation of the Help Desk which is composed of a manager and 3 functional analysts. The group prepared a Help Desk procedures manual that defines their mission:

To support the users of VISION in an effective and efficient manner, while being courteous, respectful, and responsive. To instruct the users of VISION on the system's functions and processes when answering their questions and providing on-going training. To seek, research, and develop system improvements that will continue to utilize the functionality and best practices of the VISION system.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education and Functional Support

We will achieve this by keeping a customer service perspective, working with our State partners and users groups, and building off of our expanding knowledge of the system and experiences.

We will continue to promote the methodology of the VISION Project, as we look to the future of the State's financial and informational needs.

Strategy

As a very new program within the Department of Finance and Management, the Help Desk staff is taking a proactive approach working with State VISION users. In FY 2003 strategies to increase the user knowledge of the system include instructional e-mails to users. Instructional e-mails represent nearly 80% of all e-mail correspondence to end users and are issued by the help desk or in conjunction with the financial operations division. This year, the technical staff supported this effort by implementing a list server and providing clear, simple procedures for VISION users to subscribe. Through this service instructional materials are going directly to the system users. The Help Desk Manager completed a total rewrite of the VISION web page in FY 2003. Information is correct, current and regularly supplemented with additional instructional materials for VISION users. These methods serve to enhance the transfer of knowledge, one of our key performance indicators.

As we collected data in FY 2003 we modified our performance measures to more accurately capture performance goals as they relate to the key indicators. Training is shown as one measure with two methods of delivery. The goal is to provide training using the most appropriate method to address the VISION users needs. IN FY 2002 the preponderance of training was one-on-one in response to specific user questions/problem post 'go-live'. During the first half of FY 2003 the Help Desk staff updated manuals and rewrote training curricula to reflect problems identified, procedural and policy changes and best practices. Over FY 2003 we will see a more balanced training schedule that includes both one-on-one and group classroom sessions based on these revised courses. Communication with the user community is integral to operating a successful system and using all of its capabilities. We have expanded this performance measure to include more than VERT participation and will track use of instructional materials and use of the web.

Multi-Year Action Plan

The first year, FY 2003 is being spent tracking various support and educational activities and determining those that yield positive results. Resource needs are also being monitored to determine type and number of staff and other resources that are required to maintain an adequate level of educational and functional support.

Various communication methods and forums have been implemented and monitored to determine effectiveness, including web pages, instructional e-mails, VERT and other user forums. Other possible methods, newsletters or surveys, will be reviewed in FY 2004.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education and Functional Support

Help desk staff will review other PeopleSoft site's strategies, attend training and conferences to improve skills and keep attuned to new trends and techniques in education and functional support.

FY2004 Key Budget Issues

The FY 2003 rescission restricted the Help Desk from participation in the PeopleSoft Conference. Stability of staff has made it possible to continue cross training across modules, but additional training and exposure to best practices of other states through participation in conferences and regional users groups would be highly beneficial. It is unknown at this time if additional resources will be needed in future years to support this program, especially if additional modules are added or major upgrades scheduled that would significantly alter the current system and business processes. The first year FY 2003 will provide a baseline for service and resource requirements. Preliminary FY 2003 numbers are given in the chart

FY 2004 Budget

The FY 2004 budget for the Help Desk is as follows:

Personal Services (4 positions) \$241,914 (Internal service fund)

Operating \$38,300 (Internal service fund)

As a new program, these figures represent the first year a budget has been identi

Performance Measures Summary Table

Performance Measures	FY2003 (Estimate)	FY 2004
Maintain % of staff time dedicated to system support (upgrades, maintenance, development).	50%	50%
Maintain VISION Training (one-on-one and group)		
One-on-one	20 sessions	25 sessions
Group	65 sessions	75 sessions
Communication with user community		
VERT participation	8 meetings	16 meetings
Maintain level of Instructional E-mails	80%	80%
Expand/maintain use of the web	24 updates	24 updates
% (Increase) in phone calls answered by appropriate Help Desk staff member not having to be referred	75%*	10%

*FY 2002 base to FY 2003 shows a dramatic change because of the post go-live learning curve.

Also note that FY 2003 actual are estimates based on 6 months tracking and projections for the remaining 6 months of the fiscal year. FY 2003 is the first year of baseline data collection.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education and Functional Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	229,688	229,688	241,914
Operating Expenses	0	39,102	39,102	38,300
<hr/> TOTAL	<hr/> 0	<hr/> 268,790	<hr/> 268,790	<hr/> 280,214
FUND TYPE				
Internal Service Fund	0	268,790	268,790	280,214
<hr/> TOTAL	<hr/> 0	<hr/> 268,790	<hr/> 268,790	<hr/> 280,214

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Transition

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	20,000	20,000	0
Operating Expenses	0	10,000	10,000	0
<hr/> TOTAL	<hr/> 0	<hr/> 30,000	<hr/> 30,000	<hr/> 0
FUND TYPE				
General Fund	0	30,000	30,000	0
<hr/> TOTAL	<hr/> 0	<hr/> 30,000	<hr/> 30,000	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Personnel

Department Mission Statement

The Department of Personnel provides leadership to and works in partnership with other departments within state government to promote managerial and workforce excellence while fostering an understanding and observance of regulatory requirements.

Description of Appropriations, Divisions, & Programs

The Department of Personnel's goal is to support state government as it attracts, retains and rewards a talented and diverse workforce with the skills necessary for Agencies and Departments to meet their organization's objectives in an efficient and cost effective manner. The department adds value to state government by providing a variety of human resource management tools; executing strategy; building management infrastructure; promoting employee development; and, managing transition and change. We consult and work in partnership with management, our primary customers, to solve people related business issues. Further, we develop programs and policies to build the capabilities of our employees enabling them to perform their current jobs and prepare for the future challenges that may face the organization. To accomplish these goals there are three roles which the Department must assume a leadership position:

- Strategic Partner: Aligns HR strategies and practices with business strategies and the delivery of services to the citizens of Vermont.
- Organization Consultant: Helps state government build capacity for change. Concerned with identifying new behaviors that will support the accomplishment of each organization's mission and goals.
- Administrative Expert: Concerned with designing and delivering HR processes and providing key management information.

During FY 2003 the Department continued its transition from providing operational support to positioning itself to assume the role of strategic partner and organizational consultant. We have shifted our focus to provide leadership in the following areas which, we believe, will have the greatest organizational effectiveness.

- Formalizing the relationship between the Department of Personnel and personnel officers throughout State government
- Identifying, modeling, implementing best practices

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Personnel

- Promoting a talented and diverse workforce through workforce planning and development and a sustained commitment to Equal Employment Opportunity and Affirmative Action
- Providing human resource management information enabling departments and agencies to make sound business decisions
- Setting policies that guide agencies and departments in carrying out the work of Vermont State government and support the accomplishment of their mission
- Administering bargained agreements between the State of Vermont and the VSEA while ensuring compliance with DOP policies and procedures and all federal and state employment rules and regulations

To accomplish this work, State government must be viewed as one organization. We have identified a common mission, defined unique agency/department goals in support of that mission, and created specific strategies to ensure successful accomplishment of the mission. Through this, the Department of Personnel must understand areas of common interest, respectfully address conflict and assume accountability for results. Departmental leadership has brought groups together to find ways to support one another and improve the efficient delivery of services through collaboration, mutual problem solving and avoiding duplication of effort. To this end, the Department of Personnel has reorganized its functions into four groups, each having the following accountabilities.

HR Policy & Resource Management Group includes Legislative Relations, Legal Services, Policy Development & Resource Management, Labor Relations/Collective Bargaining, Workforce Equity & Diversity and Communications & Management Support.

HR Systems & Information Management Group includes Payroll & Records Management, Information Management, Fiscal Management and Information Technology.

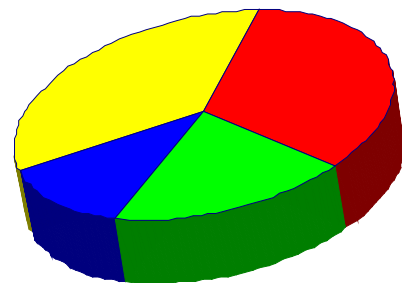
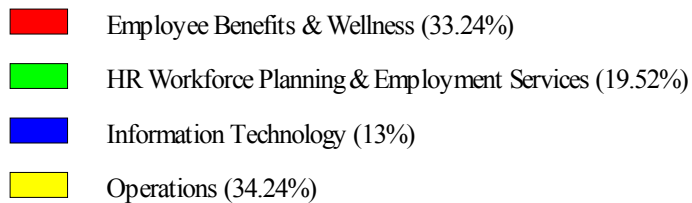
HR Compensation & Benefits Group includes Compensation Management, Classification Management and Employee Benefits & Wellness Management.

HR Workforce Planning & Employment Services Group includes Workforce Development, Organizational Development, workforce Planning & Project Management and Employment Services.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Personnel

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Operations	38	2,895,660	2,635,679	3,019,357	1,771,187
HR Workforce Planning & Emp Svc	8	0	602,081	602,081	1,010,064
Employee Benefits & Wellness	16	1,708,825	1,691,047	1,691,047	1,719,441
Information Technology	0	0	0	0	672,779
TOTAL	62	4,604,485	4,928,807	5,312,485	5,173,471
FUND TYPE					
General Fund		2,101,839	1,632,215	1,904,169	1,604,503
Transportation Fund		709,024	648,047	730,246	676,116
Special Fund		51,011	223,000	223,000	223,000
Internal Service Fund		1,708,825	2,388,045	2,417,570	2,392,220
Interdepartmental Transfer		33,786	37,500	37,500	277,632
TOTAL		4,604,485	4,928,807	5,312,485	5,173,471



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,484,558	2,068,873	2,426,481	1,453,767
Operating Expenses	411,102	566,806	592,876	317,420
<hr/> TOTAL	<hr/> 2,895,660	<hr/> 2,635,679	<hr/> 3,019,357	<hr/> 1,771,187
FUND TYPE				
General Fund	2,101,839	1,331,651	1,603,605	1,044,452
Transportation Fund	709,024	521,530	603,729	449,103
Special Fund	51,011	48,000	48,000	0
Internal Service Fund	0	696,998	726,523	0
Interdepartmental Transfer	33,786	37,500	37,500	277,632
<hr/> TOTAL	<hr/> 2,895,660	<hr/> 2,635,679	<hr/> 3,019,357	<hr/> 1,771,187

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
HR Workforce Planning & Employment Services**

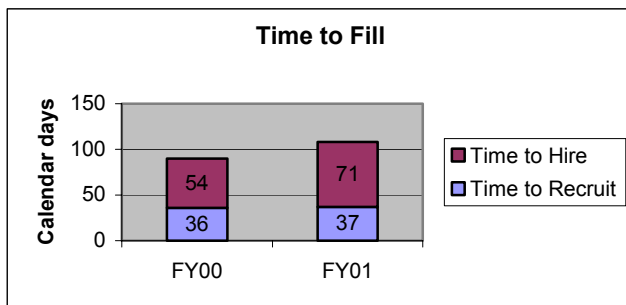
Performance Program Information

Program Results

The Employment Services section of the Department of Personnel supports State government by actively recruiting a diverse pool of well-qualified applicants and consulting with management on the hiring process thereby enabling them to achieve agency and department goals & objectives and develop future organizational capacity.

The Department of Personnel reorganized in FY'03. The Recruitment Services and Human Resource Development functions have been combined and a workforce planning component added to make up the HR Workforce Planning and Employment Services Group. Performance indicators will be identified for this new division for the next budget cycle.

Key Indicator



This is the average number of calendar days from request for recruitment to hire for current recruitment positions. Time to Fill is broken down into Time to Recruit (request to recruit to referral of list) and Time to Hire (receipt of list to hire).

Story Behind Baseline Performance

The Employment Services section of the Department of Personnel is charged with the recruitment and initial screening process for most classified State jobs.

Currently recruitment listings are issued every week. Under the Collective Bargaining Agreements, the job vacancy must be “posted” for a minimum of 10 working days. This means that the time from a request to recruit to referral of qualified applicants is a minimum of three weeks. Results for FY00 and FY'01 show that on average the time to recruit was 36.5 days. Once in the hiring manager's hands, the FY'00 and FY'01 results show that it takes on average 62.5 days to interview candidates and fill the

STATE OF VERMONT
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HR Workforce Planning & Employment Services

vacancy. Thus, for the past two fiscal years overall it takes an average of 99 days from recruitment request to date of hire.

A major influence on recruitment efforts during FY'00, FY'01 and early FY'02 was the unprecedented labor environment, characterized by historically low unemployment rates. The labor market has changed significantly in the last year. The higher unemployment rate has resulted in increased applications for State employment. But the State's own fiscal challenges have resulted in hiring freezes in FY'03 and uncertain strategies for FY'04. The highly turbulent environment that characterized FY'02 (post 9/11) made tracking the hiring process difficult as numerous hiring freezes were in affect. The division also experienced an 80% staff turnover largely due to retirements.

Strategies

1. Develop an active program of promotion and outreach for State jobs to improve the quality, quantity and diversity of the applicant pool.
2. Accelerate and improve the recruitment process through initiatives such as an on line application.
3. Reposition the State as an "employer of choice" through image building and coordinated marketing efforts.
4. Partner with hiring managers to reduce the time it takes to fill vacancies.

Performance Measures

	FY00	FY01	FY03
			Goal
<u>Time to Fill</u>	90	108	85
<u>Applicant Response</u>	20.1	15.7	25
Note:			

Time to Fill Average number of calendar days from request to recruitment to hire.
Applicant Response Rate: Average number of eligible applicants per job recruited.

What Do We Propose To Do To Improve Performance?

1. Identify process improvements/policy changes that will streamline the job application process.
2. Implemented the newly developed on-line job application.
3. Continue involvement as a partner on the Marketing and Promotional Team "MAP".

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HR Workforce Planning & Employment Services

4. Develop a managed and consolidated job-advertising program.
5. Work with department managers and personnel officers to identify ways to reduce the time it takes to hire an employee after managers receive a hiring certificate.

FY2004 Key Budget Issues

1. It is critical to the accomplishment of our aggressive objectives that our current staffing levels be maintained.
2. The managed and coordinated job-advertising program will reduce advertising expenses for state departments. However, the funding formula has yet to be defined. Alternatives include usage or per capita. Participation in this program is voluntary.
3. Without additional funding it will be very difficult to maintain ongoing promotion and outreach efforts.

FY2004 Budget

The total FY'04 budget for the HR Workforce Planning & Employment Services Group is \$1,010,064 and is composed of \$721,354 for Personal Services and \$288,710 for Operating Expenses. The funding sources are General Fund (\$560,051), Transportation Fund (\$227,013) and Special Fund (\$223,000). This represents level funding in this division of the Department of Personnel.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
HR Workforce Planning & Employment Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	384,553	384,553	721,354
Operating Expenses	0	217,528	217,528	288,710
<u>TOTAL</u>	<u>0</u>	<u>602,081</u>	<u>602,081</u>	<u>1,010,064</u>
FUND TYPE				
General Fund	0	300,564	300,564	560,051
Transportation Fund	0	126,517	126,517	227,013
Special Fund	0	175,000	175,000	223,000
<u>TOTAL</u>	<u>0</u>	<u>602,081</u>	<u>602,081</u>	<u>1,010,064</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,479,647	1,336,550	1,336,550	1,443,061
Operating Expenses	229,178	354,497	354,497	276,380
<hr/> TOTAL	<hr/> 1,708,825	<hr/> 1,691,047	<hr/> 1,691,047	<hr/> 1,719,441
FUND TYPE				
Internal Service Fund	1,708,825	1,691,047	1,691,047	1,719,441
<hr/> TOTAL	<hr/> 1,708,825	<hr/> 1,691,047	<hr/> 1,691,047	<hr/> 1,719,441

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	0	0	414,404
Operating Expenses	0	0	0	258,375
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 672,779
FUND TYPE				
Internal Service Fund	0	0	0	672,779
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 672,779

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Libraries

Department Mission Statement

The mission of the Department of Libraries (DOL) is to collect, organize, and disseminate information and library materials in a variety of formats to the three branches of State government, libraries statewide, the general public, and Vermonters with special needs; to support and strengthen local libraries; to foster new means for statewide cooperation and resource sharing among all types of libraries; and to increase public awareness of libraries and their services and to act as an advocate on their behalf.

Inherent in this mission is the Department's advocacy of the right of Vermont citizens to read and have full access to information by ensuring that libraries and their resources are readily accessible to all Vermonters regardless of their geographic location, their level of income, access to technology or disability, and, as the official depository for Vermont state documents, the preservation of the record of Vermont state government for public scrutiny. In offering our services we espouse the core concept that libraries are social and community centers, which provide equal access to quality information, designed to increase the level of "knowledge" in a community. Libraries represent social capital that makes people's lives better. They are non-secular service-oriented institutions for all age groups. They are a safe place fostering intellectual freedom and inventiveness.

Description of Appropriations, Divisions, & Programs

State Librarian/State Librarian's Office - the state librarian serves as administrative head of the department and secretary to Board of Libraries. The State Librarian's Office provides administrative support to Board and for the Board's geographic naming activities; administers state and federal plans, and grants; receives and distributes state documents; arranges for and designates depositories of state documents.

Statewide Library Development - including Regional Libraries/Library Consultants, Children's Services and Continuing Education - provides a service of advice and consultation to all libraries, in the state, including library staff, trustees, administrators and other local officials, in order to assist them in professional library practices and in realizing their potential; maintains a general library collection of a sufficient size and scope to reinforce and supplement the resources of local libraries. The department provides service to other libraries in the state, schools and individuals. Statewide Library Development compiles and publishes annual statistics covering all libraries in the state; conduct seminars, workshops and other programs to increase the professional competence of librarians in the state; targets library and information services to underserved rural communities, including children (from birth through age 17).

Reference & Law Information Services - including the Law & Documents Library, Reference and Interlibrary Loan Services, University of Vermont Access Office and Technical Services - provides and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Libraries

maintains a law library to serve the supreme court, the attorney general, other members of the judiciary, the legal profession, members of the legislature, officials of state government and the general public; maintains a collection of state documents and acts a federal depository library; provides reference and information services to state government, citizens and local libraries; provides centralized cataloging and other related technical services to libraries; encourages the formation of and maintains central records of library holdings; assists libraries in accessing information in all formats; encourages libraries in different areas, and of different types to share resources through interlibrary loan and other means; acts as a liaison to the libraries of the University of Vermont and maintains an office at the University to provide statewide access to the resources of its library collections.

Special Services to the Visually and Physically Handicapped and State-Supported Institutions -

provides a service of advice and consultation to libraries in state institutions; provides and maintains reading materials for the blind and physically handicapped and selected state insitutions; targets library and information services to persons having difficulty using a library.

Vermont Automated Libraries System (VALS) - serves as the primary access point for state information, and provides advice on state information technology policy; provides and maintains computers, computer systems, networks, and related databases necessary to the operation of the Department and of the Department's services to state government, local libraries and citizens; conducts seminars, workshops and other programs to increase the professional competence of librarians in the state in the area of technology; establishes electronic linkages among or between libraries as well as electronically linking libraries with educational, social, or information services; assists libraries in accessing information through electronic networks; assists with the costs for libraries to acquire or share computer systems and telecommunications technologies.

Appropriation Key Budget Issues

The Department of Libraries (DOL) feels that during the last fiscal crisis of the mid-1990's, it took a hard look at its programs and services and did restructure, reducing staff from 59 in FY1990, to 38 in FY2002 and closing three out of five regional library facilities. These reductions were not accomplished overnight, but over the long-term (about five years) and have served to put this department in a position to sustain its services even in difficult economic times. Further program and services cuts would have a serious negative impact on the Department's ability to provide quality services to local libraries and its other diverse constituents.

Federal funding heavily impacts the Department's budget. The focus of the Library Services and Technology Act (LSTA) is promotion of new technologies, electronic linkages and networking for library and information services and interlibrary cooperation. Federal funding for libraries administered by the fifty state library agencies (including DOL) is calculated on a population-based formula and this department receives the 2nd smallest federal library grant award in the nation. While the federal

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Libraries

allocation to the Department remains stable, the Department is concerned that an increasing percentage of that funding is allocated to the operating and personal services budgets of this department (Nationally the average use of federal funds to operate the state library agency in Federal FY2000 was 13.9%, DOL's was 23%). In FY2003, federal funds will constitute about 28% of the Department's budget, up from 26% in FY2002. In New England, only New Hampshire spends a greater percentage of its federal funds on state library agency operation than Vermont.

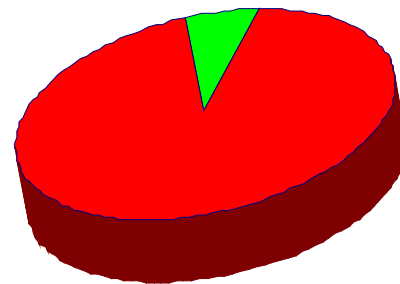
With increased federal funds used in place of state general fund to cover the costs of the department's day-to-day operations, federal funding available for sub-grants to local libraries cannot be increased (currently about \$85,000 in each fiscal year between FY2001-FY2003) and may even have to be reduced or eliminated. Federally funded sub-grants to local libraries are of added importance in Vermont, because it is one of about 6 states that do not offer state-funded sub-grants/state-aid to local libraries.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Libraries

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Libraries	34	3,327,346	3,375,592	3,628,749	3,179,614
Special Services - Handicapped	4	0	212,516	215,738	222,147
TOTAL	38	3,327,346	3,588,108	3,844,487	3,401,761
FUND TYPE					
General Fund		1,963,797	2,227,850	2,444,019	2,322,745
Special Fund		75,432	51,300	75,500	186,745
Federal Revenue Fund		1,173,429	1,172,958	1,188,968	746,771
Interdepartmental Transfer		114,688	136,000	136,000	145,500
TOTAL		3,327,346	3,588,108	3,844,487	3,401,761

■	Libraries (93.47%)
■	Special Services - Handicapped (6.53%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,741,451	1,578,676	1,632,633	1,637,993
Operating Expenses	954,104	1,391,996	1,591,196	1,496,621
Grants	631,791	404,920	404,920	45,000
<hr/> TOTAL	<hr/> 3,327,346	<hr/> 3,375,592	<hr/> 3,628,749	<hr/> 3,179,614
FUND TYPE				
General Fund	1,963,797	2,139,558	2,355,727	2,232,536
Special Fund	75,432	50,300	74,500	185,745
Federal Revenue Fund	1,173,429	1,049,734	1,062,522	615,833
Interdepartmental Transfer	114,688	136,000	136,000	145,500
<hr/> TOTAL	<hr/> 3,327,346	<hr/> 3,375,592	<hr/> 3,628,749	<hr/> 3,179,614

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Special Services - Handicapped**

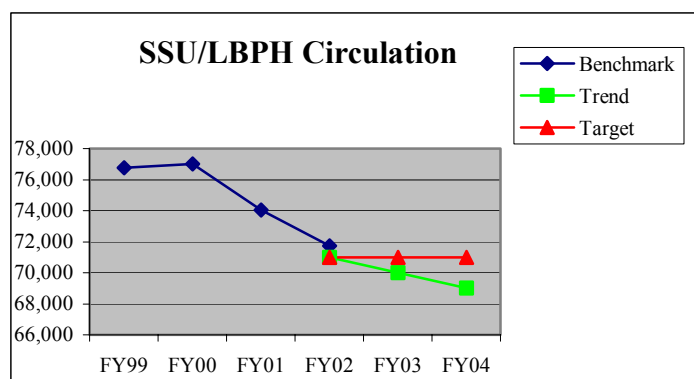
Performance Program Information

Results

Under the auspices the Library of Congress, National Library Service for the Blind and Physically Handicapped (NLS), to meet the recreational and informational reading needs of the visually impaired and of those with other qualifying disabilities.

Key Indicator

Number of times an item in the collection circulates, i.e. the number of times an item is used by a customer.



Story Behind the Baseline Performance

Through a network of "regional" libraries nationwide, the Library of Congress, National Library Service for the Blind and Physically Handicapped (NLS), provides a free library service to persons who are unable to use standard printed material because of visual or physical disabilities. Books and magazines in audio form (talking books) and braille are delivered to eligible readers by postage-free mail and are returned in the same manner. Specially designed phonographs and cassette players are also loaned free. In order to use the service, individuals must be certified as eligible by "competent authority" (such as a physician).

The Department of Libraries Special Services Unit (SSU) became Vermont's "regional" library in 1976 (previously Vermonters received services from the regional library in Albany, NY). Vermont has the smallest collection of the 58 regional libraries in the NLS network and is the smallest state in population operating its own "regional" library (Wyoming contracts with Utah for LBPH services).

Despite a fairly consistent number of users, circulation to individuals is declining, as is the number of deposit collections loaned to institutions for use by their customers. This also appears to be a national trend, perhaps due to the fact that the NLS service is still researching implementing digital technology

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Special Services - Handicapped

for its services, compounded by the fact that "audiobooks" are generally more **available in the** commercial marketplace than previously.

Strategy

The SSU will take a more pro-active role in both encouraging current users to make greater use of the services as well as seek out new users.

The SSU Librarian will make greater efforts to promote services as part of his position as a member of the State Rehabilitation Council for the Division for the Blind and Visually Impaired (DBVI), as well as establish connection with nursing home administrators, special educators and others to ensure that potentially eligible users are aware of the services.

Multi-Year Action Plan

Beginning in the fourth quarter of FY2002, the SSU librarian increased to about 25% the amount of time spent weekly in and out of the office on outreach and promotion of the program. The Division Director for Reference & Information Services who has oversight for SSU increased time spent on SSU services to 8%.

A newsletter was published in August 2002 (1st qtr. FY03) and plans are that the newsletter will be published at least twice per year, but ideally 4 times per year.

In August, 2002, the SSU librarian conducted a survey of user satisfaction to serve as a baseline for this action plan and will update the survey annually. The survey was mailed with the newsletter to about 1400 active users. Alternative formats for the questionnaire, such as Braille, were offered, as well. 279 users responded (20%).

Beginning in the fourth quarter of FY2002, The SSU librarian began to increase efforts to seek out partners and organizations that could assist in the promotion of SSU services. Besides service as a member of the State Rehabilitation Council for the Division for the Blind and Visually Impaired (DBVI), the SSU librarian has met with Vermont Association for the Blind (VAB) support groups in 8 different locations throughout the state, and addressed a staff meeting state Division for the Blind and Visually Impaired, and the VAB Consumer Advisory Council. The SSU exhibited its services at a Technology Fair sponsored by the VAB as well as at the Vermont Optometric Association annual conference, described the services available on a public cable access program, VisionTalk, and attended the national conference of Librarians Serving the Blind and Visually Impaired, sponsored by the NLS. The SSU librarian also took part in presenting a workshop for local librarians entitled "Serving Seniors," held in two different locations in the state.

The SSU librarian will create a unit webpage to provide information about services and to link to the NLS site and others.

The SSU librarian will explore the cost effectiveness and service implications of combining Vermont's services with another state's NLS regional library services.

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Special Services - Handicapped

FY2004 Key Budget Issues

An ongoing concern of the National Library Services (NLS) is that the SSU does not meet the staffing requirements of *Revised Standards and Guidelines of Service for the Library of Congress Network of Libraries for the Blind and Physically Handicapped* (1995). One additional paraprofessional position and one additional clerical position would need to be added. We also do not have sufficient space to maintain the collection at the level required by NLS. Improvements in either situation are not possible in the current budget situation. FY2004 Budget

The FY2004 budget for the SSU is as follows:

Personal Services (4 positions) \$196,894 (62% federal).

Operating \$24,413 (32% federal)

The SSU's operating budget was been increased by \$4,000 for FY2003 (a 23% increase over FY2002) in order to help pay for the costs of increased outreach, such as newsletter and other publication printing, travel, etc. However, level funding pressures in FY2004 necessitated a 6% reduction of \$1400. The FY2004 operating budget is still 12% higher than in FY2002.

Baseline Survey Results

Age Breakdown						
	18 or under	19-35	36-50	51-65	66-80	Over 80
No./% Responding	11 (4%)	6 (2%)	21 (8%)	29 (10%)	85 (30%)	127 (46%)

Own a Computer with internet access?		
	Yes	No
No./% Responding	74 (27%)	196 (73%)

Satisfaction							
	Are you receiving enough books?			Are you satisfied with the books received?			
	Yes	Too Many	Not enough	Always	Usually	Sometimes	Never
No./% Responding	245 (88%)	16 (6%)	18 (6%)	35 (14%)	129 (53)%	72 (30%)	7 (3%)

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Special Services - Handicapped

Does the staff provide high quality service?				
	Always	Usually	Sometimes	Never
No./% Responding	205 (80%)	45 (18%)	4 (2%)	1 (<1%)

Performance Measures Summary Table

Performance Measures	Actual FY00	Actual FY01	Actual FY02	Target FY03	Target FY04
% change [positive] in number of deposit collections over previous FY	+3.0%	-12.0%	-2.0%	+1.0%	+1.5%
% eligible visually impaired/blind active users	92%	92%	92%	94%	94%
% eligible other disabled active users	Not avail.	Not avail.	Not avail.	25%	25%
% professional hours available spent on outreach	5%	5%	25%	33%	43%
% users surveyed that they are satisfied with the service/service meets their recreational & informational reading needs	Not avail.	Not avail.	97%/88%	97%/90%	97%/95%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Special Services - Handicapped

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	186,703	189,925	197,734
Operating Expenses	0	25,813	25,813	24,413
<u>TOTAL</u>	<u>0</u>	<u>212,516</u>	<u>215,738</u>	<u>222,147</u>
FUND TYPE				
General Fund	0	88,292	88,292	90,209
Special Fund	0	1,000	1,000	1,000
Federal Revenue Fund	0	123,224	126,446	130,938
<u>TOTAL</u>	<u>0</u>	<u>212,516</u>	<u>215,738</u>	<u>222,147</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tax

Department Mission Statement

The mission of the Department of Taxes is to collect the proper amount of tax revenue in a timely and efficient manner to pay for the goods and services people receive from State government; to administer Act 60 programs through the most efficient means possible; to serve local governments by striving to improve local property tax assessment practices; and to assist and service taxpayers, legislators and all others by all means possible.

Description of Appropriations, Divisions, & Programs

Administration

This division includes all the people responsible for overall Department leadership, policy-making, and budget/personnel management. It includes the Commissioner, Deputy Commissioner, General Counsel, Policy Analysts, Taxpayer Advocate, Business Manager and their immediate staffs. This section has overall management control of the entire Department. The Administrative Division responds to all tax policy inquiries from the Governor and Legislature, issues rulings and technical bulletins to implement tax legislation, conducts tax appeal hearings and represents the Department in any civil or criminal litigation. The division also provides budget preparation and fiscal management services, personnel administration and payroll processing, procurement of all goods and services (including contract administration) and inventory control for all office supplies, furniture, equipment and tax forms.

Administration also encompasses all mailroom/stockroom operations, including processing all out-going mail, encompassing preparation and distribution of tax forms, refund checks, delinquency notices/bills and any special mailings to taxpayers. It also includes coordinating all aspects of the "substitute forms program", which is a significantly increased responsibility now that a majority of our returns processing and tax remittance is performed with imaging/scanning equipment.

Compliance

Compliance is the enforcement division of the Department of Taxes. In addition to standard audit selection and collection activity, our goal for the next two years is to continue to effectively use the Department's new computer system as a resource. The data gathering and reporting functions of the system will allow for better audit selections and more effective tracking of collections cases through the use of electronic worklists in lieu of paper data.

The Compliance Division also continues to place accounts with private collection agencies, as authorized by 16 V.S.A. § 3109. In FY99 these agencies collected \$1.1 million and \$558,000 in FY00. In addition to tax collection, the Department offsets income tax refunds for the IRS and many other state agencies with debts due them. Each fiscal year, the division sends approximately \$1.5 million to agencies participating in the offset program.

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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tax

Information Systems

Information Systems manages automated information processing for the Department of Taxes. In this role, it supports not only all department employees, but also over 500,000 taxpayers and all Vermont municipalities. The unit is staffed by 21 full-time and one part-time technical positions, plus 2 full-time support positions. The Division's goal is to provide automated solutions that enable Department employees to quickly, effectively and correctly meet the needs of all Vermont taxpayers.

During 2001, Information Systems successfully prepared the new integrated tax system to handle the legislatively mandated income tax changes for the 2002 income tax filing season. In addition, the division implemented the move of the Corporate, Business Income and Property Transfer taxes to a new mainframe computing environment.

Property Valuation and Review

The Property Valuation and Review (PVR) division provides administrative support for Vermont's property tax system as well as staff support in the development of State property tax policies and the administration of several State property tax related programs. All major functions assigned to the Division involve taxes and programs that are primarily administered by municipal governments; hence PVR works extensively with local governments in the performance of its duties.

Specific programs and functions include a number of major property tax programs, as follows: 1) Education Grand List Equalization Study (EEGL); 2) Use Value Appraisal Program (Current Use); 3) Computer Assisted Property Tax Administration Program (CAPTAP II); 4) Vermont Mapping Program; 5) Real Estate-based Taxes (Real Estate Withholding, Property Transfer and Lands Gains); 6) Real Property Valuation Appeals; 7) Payment in Lieu of Taxes (PILOT); and 8) Municipal Officer Training for Listers and Appraisers. In addition, the Division frequently performs other functions, such as providing staff support for Executive and Legislative studies and commissions and appraisal of State-owned buildings and land.

Taxpayer Services

Taxpayer Services administers 18 taxes, 3 licensing programs, and 2 Act 60 programs. The Division's mission is to provide taxpayer assistance programs, distribute educational materials encouraging voluntary compliance with Vermont tax laws, and exam and correct errors on tax returns and Act 60 claim forms submitted for processing. These activities ensure that the Department receives the most accurate information possible from taxpayers, the appropriate amount of taxes due, and that taxpayers receive prompt, accurate notification of errors. The Division also distributes applications for the Lifeline and V-Script programs and processes these application to verify income.

The Division devotes much of its staff time to taxpayer education to promote voluntary tax compliance. The staff responds to taxpayer questions, assists in completing tax forms, and helps resolve tax problems for taxpayers. Taxpayers receive assistance by telephoning, writing letters, sending a fax, sending an e-

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tax

mail, or visiting the office. For example, the Division annually responds to approximately 150,000 telephone calls. The Division also provides some on-site registration and assistance for businesses at special events such as county fairs or craft shows, and at the IRS BURLINGTON Office during tax filing season.

Finally, the Division conducts, or participates in, many workshops and seminars for taxpayers, tax preparers, and volunteer groups; such as the IRS, SBA, Community Action, University of Vermont, University of New Hampshire, the Vermont State College Extension Service and VITA/TCE.

Appropriation Key Budget Issues

Department of Taxes

Administration/Collection Appropriation Summary:

The Department of Taxes will be divided into two separate appropriations for FY2004. The first appropriation will support five of our six divisions: Administration, Compliance, Information Systems, Property Valuation & Review and Taxpayer Services. The sixth division, Revenue Accounting and Returns Processing (RAARP), will have a separate appropriation because it has been selected for participation in the Governor's Performance-based Decision Making Program. Displayed below is a summary of the department's FY2004 budget request:

Administration/Collection	\$11,962,118
Revenue Accounting and Returns Processing	<u>\$ 1,375,511</u>
Tax Department Total	\$13,337,629

A more detailed performance budget narrative has been provided regarding RAARP, so the following narrative focuses on Administration/Collection:

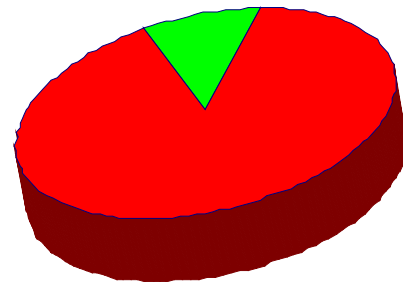
The Administration/Compliance appropriation of \$11,996,118 supports 177 full-time classified and exempt employees, plus 15 tax season temporaries, who administer 26 general fund and special fund taxes and licenses. The work program for FY2004 includes taxpayer education and assistance, tax examination and problem resolution, office and field audits, accounts receivable collection and criminal investigations. It also includes administration of Act 60 property tax adjustment and renter rebate/super-circuit breaker programs, plus staff support to the State's administrative and legislative leadership in all areas of tax policy analysis. Finally, the department provides staff support for administration of the state-wide education property tax; conducts the annual aggregate fair market value study, administers the Use Value Appraisal Program (Current Use) and the Payment In Lieu Of Taxes program (PILOT); provides assistance to municipal governments with property tax administration (CAPTAP II) and property tax mapping; assists in the administration of the Telephone Lifeline and Pharmaceutical Assistance programs and conducts a refund offset program for 17 state and federal agencies.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tax**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration / Collection	177	13,172,291	11,200,466	11,583,680	11,962,118
Revenue and Returns Processing	18	0	1,282,086	1,282,086	1,375,511
TOTAL	195	13,172,291	12,482,552	12,865,766	13,337,629
FUND TYPE					
General Fund		12,408,891	11,694,830	12,014,505	12,252,309
Transportation Fund		263,488	263,785	263,785	263,785
Special Fund		405,698	408,937	472,476	645,535
Interdepartmental Transfer		94,214	115,000	115,000	176,000
TOTAL		13,172,291	12,482,552	12,865,766	13,337,629

■	Administration / Collection (89.69%)
■	Revenue and Returns Processing (10.31%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration / Collection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	10,890,949	9,003,761	9,383,853	9,844,847
Operating Expenses	2,281,342	2,196,705	2,199,827	2,117,271
<hr/> TOTAL	<hr/> 13,172,291	<hr/> 11,200,466	<hr/> 11,583,680	<hr/> 11,962,118
FUND TYPE				
General Fund	12,408,891	10,412,744	10,732,419	10,876,798
Transportation Fund	263,488	263,785	263,785	263,785
Special Fund	405,698	408,937	472,476	645,535
Interdepartmental Transfer	94,214	115,000	115,000	176,000
<hr/> TOTAL	<hr/> 13,172,291	<hr/> 11,200,466	<hr/> 11,583,680	<hr/> 11,962,118

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Revenue and Returns Processing

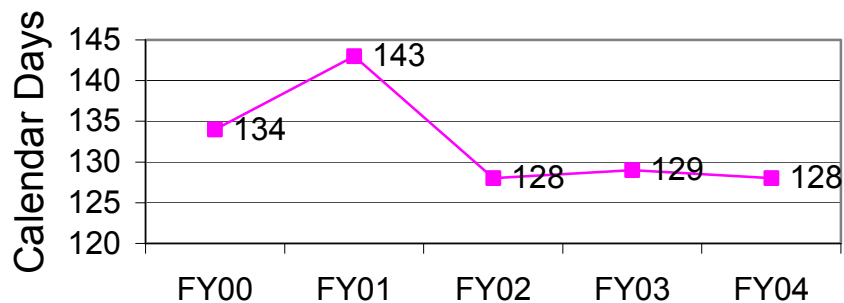
Performance Program Information

Program Outcome Statement:

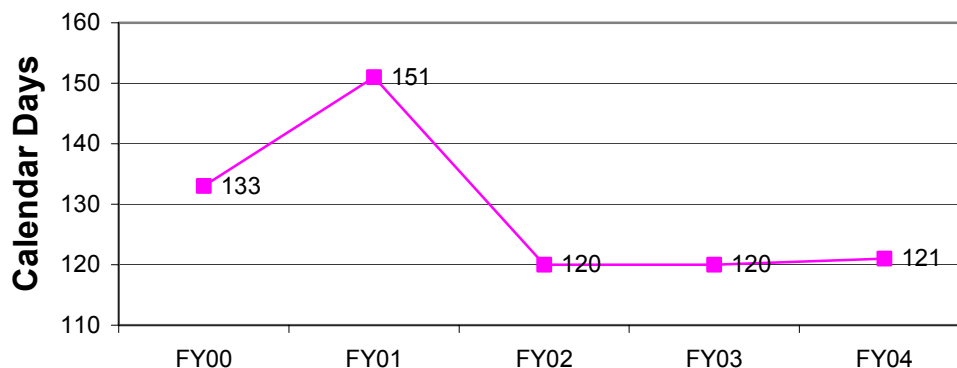
The purpose of the Revenue Accounting and Returns Processing unit is to receive all incoming tax returns and bills; extract, sort and deposit all payments to the correct taxpayer and tax receipt account within an average of 24 hours from receipt; accurately data capture, via keyboard or scan/image, all taxpayer and tax return information and, finally, reconcile all tax receipt accounts and bank accounts related to incoming receipts and outgoing refunds within 15 days of statement receipt .

Key Indicators:

April Mail Opened



April Checks Deposited



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Revenue and Returns Processing

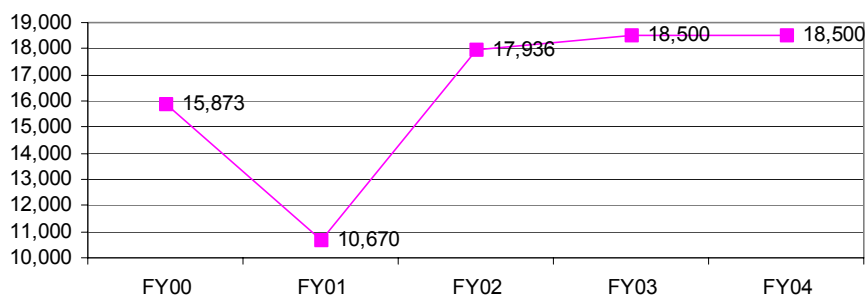
Story Behind Baseline Performance:

The RAARP section consists of 18 permanent, full-time employees and 39 tax-season temporaries. This Division is responsible for all revenue accounting and returns processing needs of the Department. Those duties include: receipt, opening, extraction and routing of all incoming mail; return validation and control for data entry or doc prep for scanning/imaging; data capture of all documents via traditional keyboard entry or scanning/imaging technology; daily bank deposits and related cash management functions, including electronic funds transfers and credit card payments; bank account/general ledger reconciliations and, finally, preparing GAAP/FMIS reporting, as needed.

The implementation of new IFPS front-end and VIRCS back-end systems significantly impacted this Division's performance in FY01. At the same time, the conversion from the Chittenden Bank to BankNorth and the introduction of a new statewide accounting system (VISION) on July 1, 2001 created many new challenges that were successfully overcome in FY02.

The success we achieved in FY02 to address these challenges is clearly illustrated in the charts above and below. The challenge in FY03 and beyond will be to maintain or improve upon our FY02 performance with fewer staff resources.

**Weekly Average of Income/Act 60 Returns
Scanned, DV'd and Extracted**



Strategies:

1. Continue to reduce the number of paper return filers by increasing the number of Fed-State filers and by offering free web-based filing for a segment of Vermont personal income (PIT) taxpayers. Also, develop electronic filing option(s) for business trust taxpayers.
2. Continue using color-coded personal income tax return envelopes and PO Boxes for "paid" vs "refund" PIT returns. Also, continue using special payment vouchers in IFPS workflow to allow check processing without the need to scan, DV and extract the companion PIT return.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Revenue and Returns Processing

3. Strengthen the “substitute forms” process to ensure that all professionally prepared returns are “readable” by our IFPS equipment .

4. Reduce the number of refund checks issued by expanding the direct deposit option, whenever possible.

Performance Measures:

	<u>FY01</u>	<u>FY02</u>	<u>FY03*</u>
<i>What/How Much We Do</i>			
1. Trays of Mail	3,254	3,369	3,200
2. Returns Processed	1,179,513	1,373,584	1,200,000
3. Deposit Items	661,479	639,800	640,000
4. Refund/Act 60 Checks	391,682	373,650	370,000
			*Estimates

What Do We Propose To Do To Improve Performance?

1. Maintain a third IFPS scanner devoted solely to “refund due” income tax returns.

2. Maintain a core staff of 3 people devoted solely to the “substitute forms” process, and more specifically to “forms training”.

3) Improve all RAARP “front-end” functions in 133 State Street to provide a better organized and more efficient mail extraction and document preparation functions.

4. Purchase another “extraction desk” and other companion equipment to further automate many repetitive mail processing procedures

FY04 Key Budget Issues:

Design and implement a permanent home for all RAARP functions on one floor of 133 State Street providing the most efficient “soup to nuts” revenue and returns processing solution.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Revenue and Returns Processing

FY04 Budget

The FY2004 reflects a continuation of all the steps taken in FY02 and FY03 to implement the recommendations of the FTA study committee and to meet all processing goals with reduced dependence on temporary staff.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Revenue and Returns Processing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	967,801	967,801	1,014,411
Operating Expenses	0	314,285	314,285	361,100
<u>TOTAL</u>	<u>0</u>	<u>1,282,086</u>	<u>1,282,086</u>	<u>1,375,511</u>
FUND TYPE				
General Fund	0	1,282,086	1,282,086	1,375,511
<u>TOTAL</u>	<u>0</u>	<u>1,282,086</u>	<u>1,282,086</u>	<u>1,375,511</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services

Department Mission Statement

The employees of the Buildings and General Services Department working together deliver quality operational services and facilities management enabling Government Agencies to fulfill their missions.

This mission statement is intended to reflect the desire of the merged department to provide a united service effort to its' customers, primarily the Departments of State Government. We believe that all necessary service functions provided through the one central conduit of Buildings and General Services is the best way to efficiently assist those departments/customers. When a department occupies a building it is the intent of this department to locate the space where of best service to the occupant and their clients, to allocate sufficient but not excessive space and to provide the client with all necessities. These necessities extend beyond the physical realm of heat, utilities, parking, rubbish removal etc. and into the functional areas including mail, the supply stream, computer connections, telephone and even contracting.

The Department of Buildings and General Services is fully committed to providing quality service and customer satisfaction. To this end the Department will be using benchmarks, surveys and data collection to constantly monitor its progress.

Description of Appropriations, Divisions, & Programs

Administrative Services:

The Administrative Services Division strives to deliver timely, accurate and useful information and services to all divisions within the Department providing accounting, budgeting, financial management, human resources, and oversight of the entire Department through the office of the Commissioner. Beginning in FY 2003, the division has expanded to provide an auditing function. This new function coupled with the consolidation of the accounting function will bring necessary cost efficiencies within the Department.

The goals and outcomes of Administrative Services are: a) to produce timely and accurate financial statements for all programs as required; b) provide top quality human resources services to better serve the employees and to protect the State; and c) to provide all divisions within Buildings and General Services Department the support that they need to better serve their customers.

Facilities Services: Operations (Maintenance and Custodial Services):

The Fee for Space (Facilities Operations Division) strives to provide a safe, economical, productive working environment in which State employees/residents of State Facilities can accomplish their

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services

missions. This focus of the Division is on housekeeping, security, grounds, heat/electricity, snow removal, pest control and and general maintenance.

Goals include customer satisfaction, less down time for maintenance repairs, attractive buildings/grounds, and maintenance of all code requirements.

Engineering:

The Engineering Division plans and develops accessible office complexes, buildings and spaces that are safe, efficient, environmentally friendly, aesthetically attractive and professionally appropriate places for conducting the business of the State of Vermont.

Management and execution of the annual Capital Construction Act is a major function of the Engineering Division. Designing and planning for new and renovated space as well as completing all work in a cost-effective and timely manner if a important part the job. The goal is for all spaces tol be attractive, environmentally friendly, safe, and professionally appropriate to their use.

Property Management:

Property Management provides State agencies with safe, comfortable and efficient office space through leases, purchases and sales, inventory, and space planning, assignments and move requests. To efficiently plan, provide and manage State-owned and leased office and specialty space to minimize the impact on the State's budget as well as to facilitate changes to existing space in a timely manner is the goal. This enables occupants to adapt to changes in programs and space needs.

Postal Center:

The Postal Center provides State and local governmental entities with economical and convenient access to postal and courier services. The Center provides the Montpelier and Waterbury complexes with mail and parcel screening and delivery tracking to promote a safe work environment. Some goals are to further automate mail processing through the investigation of technology, provide rate savings, reduce labor costs, increase speed and accuracy of sorts & delivers, and to avoid potential staff exposure to explosives or other dangerous items typically routed through mail and delivery systems.

Supply Center:

The Supply Center provides State and local governmental entities with economical and convenient access to commonly used office supplies. The Center maximizes supply dollars by taking advantage of benefits available through centralized operations; volume pricing, single delivery point, on-demand warehouse stock, and electronic ordering.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services

Copy Center:

The Copy Center provides State and local governmental entities with economical and convenient access to printing, finishing and walk-up copier services. Increase just-in-time printing of forms and documents by increasing access and use of electronic transfer of masters. Continuously update technology to meet future needs such as three and four color printing.

Purchasing:

The State of Vermont's Purchasing and Contract Administration Division has two primary functions. One is to manage the purchase of material, equipment, supplies, and printing for all state agencies. Such purchases are done through "spot" Request for Quotations or by establishing contracts to handle those types of items that are frequently purchased. With vendor approval, contracts are made available to the State's political subdivisions such as cities, towns and schools.

The second function of the division is Contract Administration. They are responsible for bidding and contracting for planning, design, construction, renovation, repair, maintenance, and various services for the facilities that are managed by Buildings and used by the residents, visitors, and employees of the State of Vermont. In addition they manage the entire contract approval process for all contracts initiated by Buildings and General Services.

In FY 2003, the Purchasing Division was merged with the Central Services and Public Records Division in Middlesex to bring about greater efficiencies within the Department by combining like functions and services. The goal is to increase efficiency as well as to reduce costs to the State.

Public Records:

Public Records provides State and local governmental entities with economical and efficient records management services (preservation, storage, access, and disposition). Goals are to use technology to further automate processing and substantially expand accessibility and speed of retrieval.

Communications and Information Technology:

Communications and Information Technology (CIT) is to enable VT State Government to operate efficiently and effectively. CIT works with agencies to provide integrated services to the people of VT through an environment in which information is shared for the benefit of government and the public.

CIT is responsible for the management of programs that provide comprehensive information technology services to all of State Government. The services cover: Data Center Operations, Telecommunications, Local Area Networking, PC Maintenance & Support, E-Mail service, Software Support, and Training.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services

State and Federal Surplus Property:

Surplus Property provides State and local governmental entities with economical and convenient vending services for surplus property. The goal is to increase reuse of equipment to conserve acquisition and disposal costs.

Risk Management Division:

The Risk Management Division (RMD) seeks to protect the State's assets - human, physical and financial. Workers Compensation (self-insurance), Auto & General Liability (self-insurance), All Other Insurance (commercially purchased coverage), Loss Prevention, and Environmental Management System.

The goal is to accomplish this mission by; efficiently and effectively indemnifying claims, by enhancing workplace environments, by preventing workplace related illnesses and injuries, by providing optimum care when injuries or illnesses occur, and by being accountable for our actions.

Each of the five identified areas has their individual goals in support of this mission. The first focus is to protect our human resources, our employees. Loss Prevention works to prevent accidents through training, loss investigation, and on-site occupational safety and health surveys. Workers Compensation works to secure the best possible care for injured workers. The Liability program has the goal to treat all of the claimants in a fair and equitable fashion and everyone is treated with respect.

Information Centers:

The Information Centers Division (Rest Areas) promotes the economy of the State of Vermont by providing hospitality, convenience and information to the traveling public.

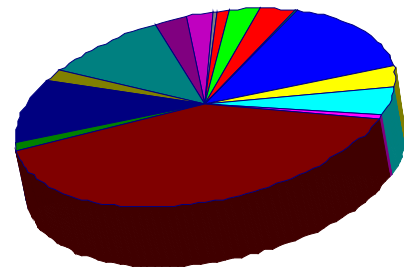
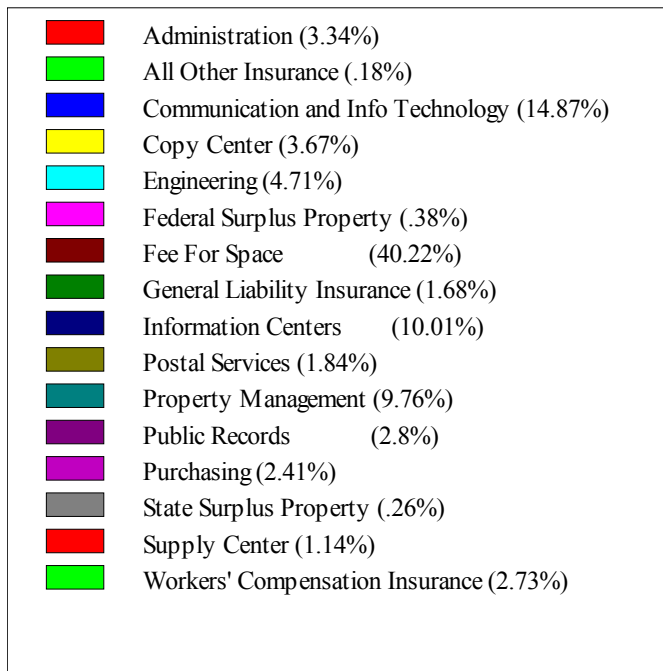
Core responsibilities to be in the area of marketing, promotions and customer relations. Training will be provided to the staff to enhance their ability to influence the buying practices and purchasing behaviors of the tourists.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Property Management	0	0	240,000	240,000	0
Administration	18	1,066,472	1,163,150	1,193,606	1,449,201
Engineering	24	1,724,717	1,948,782	1,997,336	2,044,794
Information Centers	57	3,778,150	3,708,493	4,354,057	4,341,681
Purchasing	14	848,444	1,047,734	1,068,944	1,045,050
Public Records	17	985,116	1,033,498	1,053,612	1,213,964
Postal Services	16	612,794	153,573	871,702	798,417
Copy Center	17	1,225,162	1,537,709	1,552,035	1,593,636
Supply Center	6	364,624	473,870	481,484	494,211
Federal Surplus Property	1	73,534	160,633	161,762	166,023
State Surplus Property	1	72,600	106,156	107,957	110,846
Property Management	9	3,458,477	3,919,262	3,930,168	4,232,099
All Other Insurance	0	59,237	75,655	75,655	77,546
General Liability Insurance	0	654,154	807,311	807,311	727,494
Workers' Compensation Insurance	13	1,396,718	1,151,335	1,170,563	1,186,012
Communication and Info Technology	41	5,012,927	6,165,147	6,237,171	6,452,473
Fee For Space	213	18,131,492	14,181,419	14,409,733	17,444,894
TOTAL	447	39,464,618	37,873,727	39,713,096	43,378,341
FUND TYPE					
General Fund		3,837,415	4,137,161	4,219,964	4,209,957
Transportation Fund		4,110,381	4,332,725	4,989,310	4,815,504
Special Fund		280,096	170,210	174,233	177,633
Enterprise Fund		73,534	160,633	161,762	166,023
Internal Service Fund		30,585,716	27,844,848	28,907,425	32,491,557
Interdepartmental Transfer		577,476	1,228,150	1,260,402	1,517,667
TOTAL		39,464,618	37,873,727	39,713,096	43,378,341

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Buildings and General Services**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	0	240,000	240,000	0
<hr/> TOTAL	<hr/> 0	<hr/> 240,000	<hr/> 240,000	<hr/> 0
FUND TYPE				
Transportation Fund	0	240,000	240,000	0
<hr/> TOTAL	<hr/> 0	<hr/> 240,000	<hr/> 240,000	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	939,528	998,711	1,070,967	1,341,296
Operating Expenses	126,944	164,439	122,639	107,905
<hr/> TOTAL	<hr/> 1,066,472	<hr/> 1,163,150	<hr/> 1,193,606	<hr/> 1,449,201
FUND TYPE				
General Fund	503,206	0	0	0
Transportation Fund	65,196	0	0	0
Interdepartmental Transfer	498,070	1,163,150	1,193,606	1,449,201
<hr/> TOTAL	<hr/> 1,066,472	<hr/> 1,163,150	<hr/> 1,193,606	<hr/> 1,449,201

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Engineering

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,558,003	1,620,002	1,671,004	1,700,225
Operating Expenses	166,714	328,780	326,332	344,569
<hr/> TOTAL	<hr/> 1,724,717	<hr/> 1,948,782	<hr/> 1,997,336	<hr/> 2,044,794
FUND TYPE				
General Fund	1,551,456	1,650,528	1,694,324	1,702,659
Transportation Fund	93,855	233,254	236,216	273,669
Interdepartmental Transfer	79,406	65,000	66,796	68,466
<hr/> TOTAL	<hr/> 1,724,717	<hr/> 1,948,782	<hr/> 1,997,336	<hr/> 2,044,794

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Centers

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,808,242	2,608,396	2,935,908	2,991,677
Operating Expenses	703,016	845,097	1,080,816	1,090,671
Grants	266,892	255,000	337,333	259,333
<hr/> TOTAL	<hr/> 3,778,150	<hr/> 3,708,493	<hr/> 4,354,057	<hr/> 4,341,681
FUND TYPE				
General Fund	240,168	262,369	264,345	183,731
Transportation Fund	3,537,982	3,446,124	4,089,712	4,157,950
<hr/> TOTAL	<hr/> 3,778,150	<hr/> 3,708,493	<hr/> 4,354,057	<hr/> 4,341,681

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Purchasing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	789,034	775,375	822,639	752,343
Operating Expenses	59,410	272,359	246,305	292,707
<hr/> TOTAL	<hr/> 848,444	<hr/> 1,047,734	<hr/> 1,068,944	<hr/> 1,045,050
FUND TYPE				
General Fund	588,379	787,670	802,008	778,114
Transportation Fund	260,065	260,064	266,936	266,936
<hr/> TOTAL	<hr/> 848,444	<hr/> 1,047,734	<hr/> 1,068,944	<hr/> 1,045,050

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Records

Performance Program Information

Story Behind Baseline Performance:

The demand for microfilm services has steadily increased each year. Factors including population growth (more births, deaths, marriages, divorces, adoptions, court cases, Medicaid cases, etc.) and environmental concerns (permits, plans, appeals, etc.) have contributed to the continual increase of the volume of records requiring microfilming. As state agencies have changed their business processes the demand for microfilm services has grown. Since FY00 Public Records has increased the number of images processed per year by 20%, but the volume of records to be filmed has also increased by 20% resulting in a backlog of over 9,000 boxes of records waiting for processing. We anticipate the demand for microfilm services to continue at or above its current levels for the next several years. In the future, technology may change the way long-term records are maintained. How long it takes to reach this point depends on a multitude of factors, some of the most critical being those related to the long-term accessibility of electronic information (how long will the hardware and software be available to allow access or what will it cost to move information to new systems brought in). There is currently no technology that comes close to the reliability of silver-based microfilm that provides access to information for at least 300 years with the need for little more than the naked eye. We have requested additional positions and funding for this program on many different occasions but find that typically records management programs receive relatively low priority until a high cost, high profile issue related to inadequate records management arises. Shortage of storage space for records is an issue and at current demand levels it is estimated that we will exhaust storage space in two years unless the backlog can be reduced.

Strategies:

1. Reduce the microfilm backlog by approximately 800 cubic feet per fiscal year (current backlog is 9,043 cubic feet). *
 - a. Increase staffing from 12 (8 classified and 4 temporaries) to 15 positions to remain current with new microfilm demands (backlog increased by over 1,209 cubic feet last year with 8 permanent and 4 temporary positions). *
 - b. Increase staffing an additional 6 positions to eliminate microfilm backlog over the next 10 years (approximately 133 cubic feet per individual per year = 798 cubic feet per year).
 - c. Increase efficiencies in processing.
2. Reduce retention periods to increase dispositions and potentially provide us with storage space through 2004.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Records**

Performance Measures:

<i>What/How Much We Do</i>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u> Est.
1. # of images produced	5,186,235	5,169,234	5,800,000
2. Cubic feet of stored records that will eventually be due for microfilming	- new measure -		

<i>How Well We Do It</i>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u> Est.
1. Program cost	\$437,562	\$483,403	\$530,000
2. Cost per image	\$.0843**	\$.0935***	\$.0913
3. Program sales	\$170,328	\$181,194	\$174,233

<i>Is Anyone Better Off</i>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u> Est.
1. Cubic feet of stored records currently due for microfilming	7,834	9,043*	9,031
2. % of increase in microfilm backlog	4%	15.4%	- .1%

* Approximately 800 cubic feet of the backlog increase for FY2002 was the result of a special disposition run (with the 2nd half of this run completed in FY2003).

** Decrease in per image cost due to program efficiency improvements.

*** Slight increase in per image cost predictable result of salary increases and staff coverage provided in other sections.

What Do We Propose To Do To Improve Performance?

1. Continuously explore ways to reduce program costs (through reduced supply or equipment service costs, etc.)
2. Continuously explore ways to increase individual production limits (through process or equipment improvements, or utilization of other labor sources (such as correctional offenders) for document preparation, etc.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Records

FY04 Key Budget Issues:

The Public Records Division of BGS is 83% funded by general and transportation funds and 17% special funds. In order to effectively decrease the volume of stored records currently due for microfilming it would be necessary to increase the amount of labor devoted to backlog reduction. One way to accomplish this goal is to provide an infusion of funding for the division until such time as the backlog is reduced to acceptable levels. Since additional funding is not an option for FY2004, the department must find innovative ways to process more images with the resources at hand.

FY04 Budget

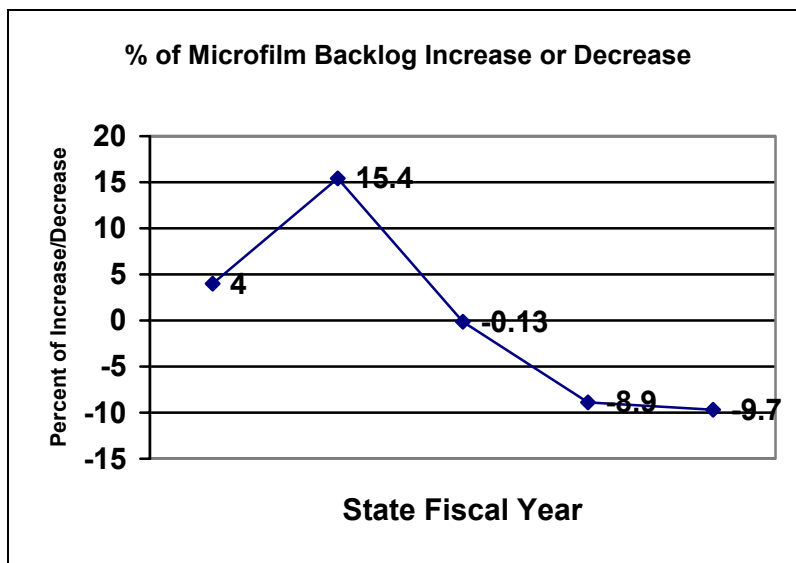
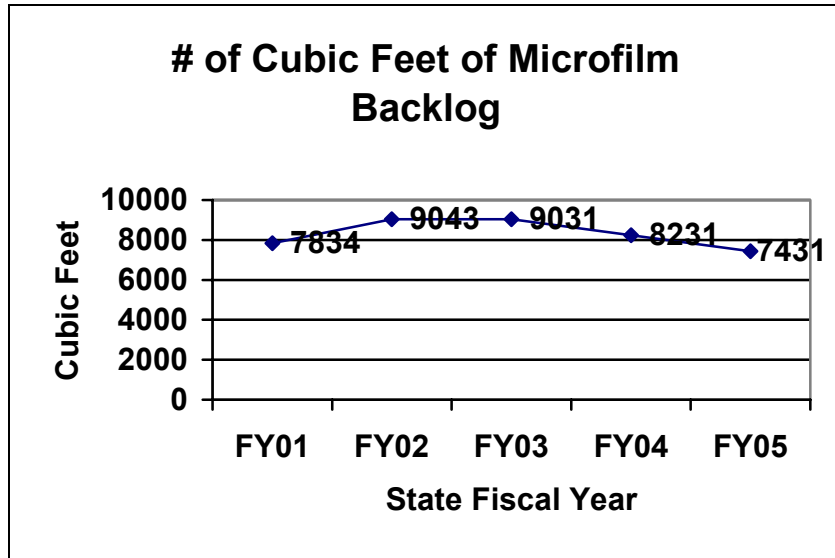
Although higher than FY2003 budget after rescission, the FY2004 budget still remains less than originally requested for FY2003 and does not provide additional funding to address the microfilm backlog. Thus the goal for FY2004 will be one of maintenance of the current situation and efforts will be made to prevent the microfilm backlog from becoming even larger than at present.

Results:

The purpose of Public Records (per 3 V.S.A. §218-219 and §454-457) is to provide state and local government entities with economical and efficient records management services. Services include, but are not limited to: education, storage, preservation, access, retrieval and disposition.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Records

Key Indicators:



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Records

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	753,179	654,046	682,698	790,193
Operating Expenses	231,937	379,452	370,914	423,771
<u>TOTAL</u>	<u>985,116</u>	<u>1,033,498</u>	<u>1,053,612</u>	<u>1,213,964</u>
FUND TYPE				
General Fund	617,028	775,296	789,376	946,328
Transportation Fund	87,992	87,992	90,003	90,003
Special Fund	280,096	170,210	174,233	177,633
<u>TOTAL</u>	<u>985,116</u>	<u>1,033,498</u>	<u>1,053,612</u>	<u>1,213,964</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Postal Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	514,206	153,573	630,085	514,216
Operating Expenses	98,588	0	241,617	284,201
<hr/> TOTAL	<hr/> 612,794	<hr/> 153,573	<hr/> 871,702	<hr/> 798,417
FUND TYPE				
General Fund	108,082	88,282	90,187	39,933
Transportation Fund	65,291	65,291	66,443	26,946
Internal Service Fund	439,421	0	715,072	731,538
<hr/> TOTAL	<hr/> 612,794	<hr/> 153,573	<hr/> 871,702	<hr/> 798,417

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	581,792	697,657	782,118	720,762
Operating Expenses	643,370	840,052	769,917	872,874
<hr/> TOTAL	<hr/> 1,225,162	<hr/> 1,537,709	<hr/> 1,552,035	<hr/> 1,593,636
FUND TYPE				
Internal Service Fund	1,225,162	1,537,709	1,552,035	1,593,636
<hr/> TOTAL	<hr/> 1,225,162	<hr/> 1,537,709	<hr/> 1,552,035	<hr/> 1,593,636

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Supply Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	258,729	241,252	265,796	185,994
Operating Expenses	105,895	232,618	215,688	308,217
<hr/> TOTAL	<hr/> 364,624	<hr/> 473,870	<hr/> 481,484	<hr/> 494,211
FUND TYPE				
Internal Service Fund	364,624	473,870	481,484	494,211
<hr/> TOTAL	<hr/> 364,624	<hr/> 473,870	<hr/> 481,484	<hr/> 494,211

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	54,217	53,755	48,863	54,832
Operating Expenses	19,317	106,878	112,899	111,191
<hr/> TOTAL	<hr/> 73,534	<hr/> 160,633	<hr/> 161,762	<hr/> 166,023
 FUND TYPE				
Enterprise Fund	73,534	160,633	161,762	166,023
<hr/> TOTAL	<hr/> 73,534	<hr/> 160,633	<hr/> 161,762	<hr/> 166,023

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	47,094	49,272	44,473	52,229
Operating Expenses	25,506	56,884	63,484	58,617
<hr/> TOTAL	<hr/> 72,600	<hr/> 106,156	<hr/> 107,957	<hr/> 110,846
FUND TYPE				
Internal Service Fund	72,600	106,156	107,957	110,846
<hr/> TOTAL	<hr/> 72,600	<hr/> 106,156	<hr/> 107,957	<hr/> 110,846

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	677,493	773,378	725,675	957,553
Operating Expenses	2,780,984	3,145,884	3,204,493	3,274,546
<hr/> TOTAL	<hr/> 3,458,477	<hr/> 3,919,262	<hr/> 3,930,168	<hr/> 4,232,099
 FUND TYPE				
Internal Service Fund	3,458,477	3,919,262	3,930,168	4,232,099
<hr/> TOTAL	<hr/> 3,458,477	<hr/> 3,919,262	<hr/> 3,930,168	<hr/> 4,232,099

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	39,536	49,578	42,806	51,083
Operating Expenses	19,701	26,077	32,849	26,463
<hr/> TOTAL	<hr/> 59,237	<hr/> 75,655	<hr/> 75,655	<hr/> 77,546
 FUND TYPE				
Internal Service Fund	59,237	75,655	75,655	77,546
<hr/> TOTAL	<hr/> 59,237	<hr/> 75,655	<hr/> 75,655	<hr/> 77,546

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	187,952	312,382	691,903	608,982
Operating Expenses	466,202	494,929	115,408	118,512
<hr/> TOTAL	<hr/> 654,154	<hr/> 807,311	<hr/> 807,311	<hr/> 727,494
FUND TYPE				
Internal Service Fund	654,154	807,311	807,311	727,494
<hr/> TOTAL	<hr/> 654,154	<hr/> 807,311	<hr/> 807,311	<hr/> 727,494

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,278,103	862,592	1,044,713	1,068,200
Operating Expenses	118,615	288,743	125,850	117,812
<hr/> TOTAL	<hr/> 1,396,718	<hr/> 1,151,335	<hr/> 1,170,563	<hr/> 1,186,012
FUND TYPE				
Internal Service Fund	1,396,718	1,151,335	1,170,563	1,186,012
<hr/> TOTAL	<hr/> 1,396,718	<hr/> 1,151,335	<hr/> 1,170,563	<hr/> 1,186,012

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Communication and Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,589,465	2,560,881	3,246,046	3,576,913
Operating Expenses	2,423,462	3,604,266	2,991,125	2,875,560
<hr/> TOTAL	<hr/> 5,012,927	<hr/> 6,165,147	<hr/> 6,237,171	<hr/> 6,452,473
FUND TYPE				
Internal Service Fund	5,012,927	6,165,147	6,237,171	6,452,473
<hr/> TOTAL	<hr/> 5,012,927	<hr/> 6,165,147	<hr/> 6,237,171	<hr/> 6,452,473

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	8,077,919	5,635,591	7,650,640	8,802,980
Operating Expenses	10,053,573	8,545,828	6,759,093	8,641,914
<hr/> TOTAL	<hr/> 18,131,492	<hr/> 14,181,419	<hr/> 14,409,733	<hr/> 17,444,894
FUND TYPE				
General Fund	229,096	573,016	579,724	559,192
Internal Service Fund	17,902,396	13,608,403	13,830,009	16,885,702
<hr/> TOTAL	<hr/> 18,131,492	<hr/> 14,181,419	<hr/> 14,409,733	<hr/> 17,444,894

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Geographic Information System

Department Mission Statement

The Vermont Center for Geographic Information (VCGI) will pursue a comprehensive strategy for the development, maintenance and use of the Vermont Geographic Information System (GIS), and provide GIS services and support to all Vermonters.

VCGI will accomplish its mission by:

- Assuring that all VCGI data is of high quality and is compatible with, useful to, and shared with other public-sector data users.
- Encouraging the same high standards of quality and compatibility in other Vermont GIS cooperators.
- Promoting the efficient development and use of geographic information by agencies of the state, its political subdivisions, Vermont businesses and citizens.
- Facilitating the growth of commercial services within Vermont for the provision of spatial data, products, and services.

Description of Appropriations, Divisions, & Programs

In January 1992, Governor Howard Dean, M.D. issued an executive order establishing VCGI as a non-profit corporation under the authority of a Board of Directors. The Board includes twelve directors appointed for two-year terms to represent state agencies, regional planning commissions, local government, higher education, private-sector and both chambers of the Vermont General Assembly. The Board has the responsibility for general management of and authority over the property, business and affairs of the center. VCGI is located in Burlington, VT on the University of Vermont campus. It is staffed by an Executive Director, Business Manager, Outreach Coordinator, GIS Senior Project Manager, GIS Project Managers, and a GIS Technician. VCGI serves as a clearinghouse for public access to Vermont GIS data.

The Vermont Center for Geographic Information continues to focus its efforts on developing GIS data, policies and standards; implementing a web-based data clearinghouse for the electronic distribution of data; and providing outreach, networking, and information exchange for the Vermont GIS community. The following core activities performed by VCGI are defined as essential functions for the mature development of GIS technology and infrastructure in Vermont.

1. State and Regional Leadership - VCGI serves as a state and regional leader in GIS. VCGI pursues opportunities that showcase VCGI at the state, regional and national level. Making Vermont a demonstration state provides greater opportunities for funding and provides users with GIS application examples. As the GIS market in Vermont is relatively small, regional leadership provides "export business" for VCGI and its partners.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Geographic Information System

2. Private Industry Partnerships - As an enhancement to our export business strategy, VCGI seeks out GIS projects and funding that are suitable for partnering with the private sector. With VCGI serving as project manager, this enables us to take on larger contracts with partners and/or subcontractors, and bring in private sector as appropriate. Through this strategy we are able to create markets for private industry.
3. Educational Partnerships - VCGI is expanding its partnering efforts with the University of Vermont (UVM) and other educational institutions (including state and private colleges). We will continue with this direction as this type of partnering enhances our opportunities to present a stronger solution to projects that include a GIS component.
4. Resource to Organizations in the State - VCGI is considering the development of a Geographic Information Committee in coordination with other State Agencies. VCGI sees this as a way to facilitate the reduction of redundant activities among different State agencies.
5. Maintenance Contracts - As VCGI continues in its role as the data clearinghouse for VGIS data, it is transitioning from the initial phase of establishing datasets for distribution, into the phase of data maintenance. Providing data that is up-to-date and of quality will enhance our data dissemination efforts. VCGI continues to provide direction for data stewards regarding funding opportunities and technical support for data maintenance issues.
6. Strong Coordination with Regional Planning Commissions (RPCs) and towns in the area of GIS - Services that VCGI can provide include coordinating the development of a comprehensive statewide data layers and providing continual training on VGIS technical issues.

VCGI personnel participated in a wide range of GIS advocacy and support roles this past year. For the fourth straight year VCGI held our GIS Expo in April. The exhibitors and participants included GIS related businesses from throughout Vermont and the northeast. The Vermont GIS EXPO has become something of a yearly milestone in the GIS business and regional technology providers anticipate it as a place to show their wares.

Nationally, VCGI participates in several GIS related conferences and data standards initiatives every year. Locally, we continue to coordinate the Vermont Spatial Data Partnership and the yearly GIS EXPO in Montpelier.

VCGI personnel also provided GIS related professional expertise for the following organizations:

- Chittenden County Metropolitan Planning Organization Transportation/Land Use Decision Support System Steering Committee
- Vermont Emergency Management Automation Effort
- Vermont Department of Tourism and Marketing Cross Marketing Database Development
- Center for Rural Studies at UVM

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Geographic Information System

- UVM Extension
- Vermont Geography Bee
- Burlington Legacy Project Steering Committee
- Vermont Town Officer Educational Conferences
- Central Vermont Chamber of Commerce
- Area Health Education Center at UVM

VCGI works aggressively to support the general public, UVM and State agencies in their pursuit of GIS related activities. We maintain a dual role of providing GIS support to both the professional and the novice community. Available GIS data and GIS data standards development remains the primary need of Vermont's GIS professionals. The novice user is able to take advantage of the education programs and experience lectures provided through our in-state conferences and meetings.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Geographic Information System	0	376,992	370,360	370,360	376,992
TOTAL	0	376,992	370,360	370,360	376,992
FUND TYPE					
Special Fund		376,992	370,360	370,360	376,992
TOTAL		376,992	370,360	370,360	376,992

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	376,992	370,360	370,360	376,992
TOTAL	376,992	370,360	370,360	376,992
FUND TYPE				
Special Fund	376,992	370,360	370,360	376,992
TOTAL	376,992	370,360	370,360	376,992

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts**

Department Mission Statement

**FY 2004
Office of the Vermont State Auditor
“We Assure Accountability”**

“To leave the world a bit better whether by a healthy child, a garden patch or a redeemed social condition; to know even one life has breathed easier...”

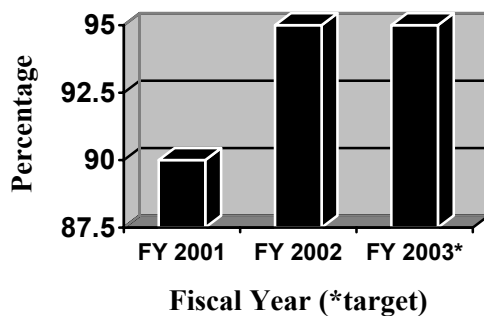
Ralph Waldo Emerson

Program Outcome Statement

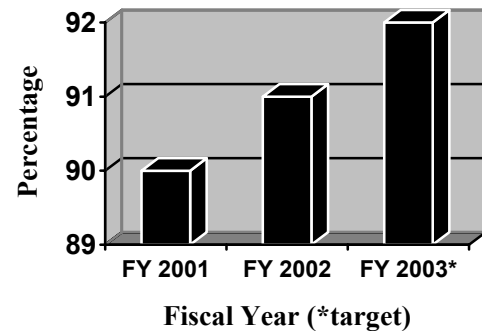
The Office of the Vermont State Auditor (SAO) assures accountability in state government by conducting audits and reviews, and by answering inquiries, providing consultations, technical assistance, and training.

Headline Measures

**Percentage of Major
Audit Findings Acted Upon**



**Percentage of Survey Respondents
Rating Services Good or Excellent**



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts**

The Story Behind Baseline Performance

In 2001, the SAO undertook a strategic planning process, promising to:

- 1) Strengthen the primary auditing functions of the Office;
- 2) Provide thoughtful recommendations to departments and community-based organizations to improve management and service; and
- 3) Help make government more accountable with performance-based decision making.

SAO staff also identified a number of training needs, including: training to audit the state's new accounting system, VISION; and, training to become familiar with the requirements associated with GASB 34, the new government financial reporting model.

The SAO has a dedicated and experienced staff who identified opportunities for improvement. Staff said recommendations from audits and reviews could be more seriously considered and implemented. Lastly, the Office could improve lines of trust and communication with our customers, who include: the citizens of Vermont; state, federal and local officials; and non-profit organizations.

Strategy

After one year, the SAO surveyed its customers and translated their suggestions into strategies and efforts to improve performance. SAO staff also identified several strategies to achieve goals. The strategies include:

- Train and retain professional staff with the technical expertise to handle the work of the Office, especially as it pertains to information technology applications, the VISION accounting system and new GASB statements;
- Enhance the Office's capacity to respond to citizen and whistleblower complaints; and
- Develop and improve relationships with customers by becoming an ongoing resource for their needs.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts

Performance Program Information

Performance Measures Summary

<i>How Well Did We Do It?</i>			
In 2002, the State Auditor's Office issued the GPFS, the Single Audit, and the Annual Report (formerly the management letter). Overall, these reports were:			
	FY01	FY02	FY03*
Clear	86%	86%	87%
Concise	79%	86%	81%
Understandable	93%	86%	94%
Useful	86%	82%	87%

<i>How Much Did We Do?</i>			
	FY01	FY02	FY03*
Number of Audits	3	3	3
Number of Reviews	3	7	6

(*projected numbers)

The Office distributed a survey to our customers. The results of the responses are outlined below.

(*projected numbers)

In 2002, the State Auditor's Office issued the following Special Reviews:

- Getting There From Here - Recommendations to Modernize the Permit Process & Improve Financial Controls at the Department of Environmental Conservation
- Caught in Traffic - Processing Local Tickets & Fines: A Review of Selected Internal Controls & Procedures at the Vermont Judicial Bureau
- Caring for Our Elders: Improving Nursing Home Care - A Review of the Oversight and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts

- Inspection of Nursing Homes by the Department of Aging and Disabilities
- Improving Student Performance: A High-Level Review of the Internal Controls and Procedures Related to the Disbursement of Medicaid Reimbursement Funds at the Vermont Department of Education and the Windham Northeast Supervisory Union
- State Auditor's Review of Vermont's Information Technology Investments
- State Auditor's High-Level Assessment of Vermont's Information Technology Security and Data Recovery Policies
- State Auditor's Review of Funding Vermont's Radiological Emergency Response Plan

Overall, these special reviews were:			
	FY01	FY02	FY03*
Clear	94%	96%	95%
Concise	88%	100%	89%
Understandable	93%	95%	94%
Useful	81%	82%	83%

(*target)

Is Anyone Better Off?			
In 2002, the State Auditor's Office responded to numerous citizen inquiries or complaints. Overall, the State Auditor's Office staff was:			
	FY01	FY02	FY03*
Professional	96%	93%	96%
Courteous	96%	93%	96%
Helpful	91%	89%	91%
In 2002, the State Auditor's Office provided assistance or training to members of municipal, county, or community-based organizations. Overall, State Auditor's Office staff was:			
	FY01	FY02	FY03*
Professional	100%	100%	100%
Courteous	100%	100%	100%
Helpful	100%	92%	93%

(*target)

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts

What Do We Propose To Do To Improve Performance?

- Improve communication by requesting regular meetings with the Governor and Agency leaders.
- Improve Management Letter format to highlight the most important findings and recommendations.
- Follow up on review and Management Letter comments at six-month intervals.
- Enhance professional, courteous and helpful responses to citizen inquiries and complaints, including a check-back system.
- Develop prioritization criteria for special reviews to direct and maximize office resources.
- Develop individual professional skills of staff.
- Foster professional image.
- Develop goal-oriented work plans.
- Strengthen understanding and trust within audit staff.
- Clearly convey to an auditee the plans, purpose, and timetable of each audit.
- Reach out to municipalities and community-based organizations to improve the quality of internal controls and compliance.
- Strengthen the SAO web site as a communications tool.
- Review and revise the SAO “customer survey.”

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Auditor of Accounts	12	1,515,780	1,603,459	1,618,787	1,613,005
<hr/> TOTAL	<hr/> 12	<hr/> 1,515,780	<hr/> 1,603,459	<hr/> 1,618,787	<hr/> 1,613,005
FUND TYPE					
General Fund		454,695	465,151	478,502	445,062
Transportation Fund		70,320	70,368	72,345	73,252
Special Fund		50,525	52,167	52,167	52,167
Internal Service Fund		940,240	1,015,773	1,015,773	1,042,524
<hr/> TOTAL		<hr/> 1,515,780	<hr/> 1,603,459	<hr/> 1,618,787	<hr/> 1,613,005

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Auditor of Accounts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,421,688	1,494,309	1,509,637	1,503,855
Operating Expenses	94,092	109,150	109,150	109,150
<hr/> TOTAL	<hr/> 1,515,780	<hr/> 1,603,459	<hr/> 1,618,787	<hr/> 1,613,005
FUND TYPE				
General Fund	454,695	465,151	478,502	445,062
Transportation Fund	70,320	70,368	72,345	73,252
Special Fund	50,525	52,167	52,167	52,167
Internal Service Fund	940,240	1,015,773	1,015,773	1,042,524
<hr/> TOTAL	<hr/> 1,515,780	<hr/> 1,603,459	<hr/> 1,618,787	<hr/> 1,613,005

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Treasurer

Department Mission Statement

The office of the State Treasurer is a service and administrative department with most of the duties prescribed by statute. It is responsible for the management and accounting of the State's cash balances; processing of checks and reconciliations of cash and associated accounts; administration and operation of three pension plans, the deferred compensation plan and defined contribution plans for State and Municipal employees; management of temporary investments of State funds; issuance of tax-exempt commercial paper for temporary borrowing when necessary, selling and servicing bonds authorized by the General Assembly; and administration of the Unclaimed Property Act. The mission is to carry out the mandates of the law as efficiently and cost-effectively as possible while providing related services to the public, State employees and member of the retirement systems; and to manage the cash balances and trust funds under custody of the State Treasurer in keeping with the highest fiduciary standards in order to maximize income without undue risk.

The office is audited annually by the Auditor of Accounts. The performance of the office is a factor considered by the credit rating services when rating the State of the purpose of borrowing.

Funds requested are an effort to continue our current range of services in face of increased workloads and costs. The Treasurer provides administrative support and staffing for all retirement programs.

The Vermont State Retirement System is the public pension plan provided by the State of Vermont for its various groups of State employees. It was created in 1944 and has undergone several major changes over the years, with a merger of the State Police and Motor Vehicles Inspectors' Retirement System and benefits and contribution reform in 1972, and contribution and benefit reforms including the creation of a non-contributory retirement plan for rank-and-file state employees in 1981. In 1990 the Legislature mandated a return to a contributory system effective January 1, 1991 with full implementation by January 1, 1995. The system's staff is responsible for the administration of six different benefit provisions which include state police, judges and regular employees, plus an optional defined contribution plan available to exempt state employees only. The system is governed by Title 3, V.S.A., Chapter 16.

The system currently consists of approximately 7,725 active members, 744 vested terminated members and approximately 3,633 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The market value of the fund was about \$892.2 million as of June 30, 2002, compared with about \$962.9 million as of June 30, 2001. The system paid \$40.0 million in retirement benefits during fiscal year 2002.

The Retirement Board of Trustees is responsible for the administration of the system. This board consists of the State Treasurer, Commissioner of Personnel, Commissioner of Finance and Management,

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Treasurer

designated representative of the Governor, three members elected by the Vermont State Employees' Association and one member elected by the Retired Chapter of the Vermont State Employees' Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the Teachers' Retirement and Municipal Retirement Systems.

The Vermont Municipal Employees' Retirement System is a uniform, state-administered pension plan provided for municipal employees of the State of Vermont. It was established effective July 1, 1975 and is governed by Title 24, V.S.A., Chapter 125.

The system currently has 408 participating employers, of which 393 are contributing employers; 4,924 active members; 168 vested terminated members; and 870 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The market value of the fund was approximately \$172.5 million as of June 30, 2002, compared with \$171.8 million as of June 30, 2001. The system paid \$3.9 million in retirement benefits during Fy 2002.

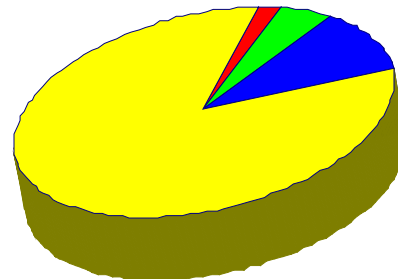
A Retirement Board of Trustees is responsible for the administration of the system. This board consists of one representative designated by the Governor, the State Treasurer, and two municipal employees and one municipal official elected by the membership of the system. Staff is provided by the Retirement Division of the State Treasurer's Office who also administer the State Employees' and Teachers' Retirement Systems.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Office of the Treasurer	31	4,237,354	2,482,766	2,532,534	2,539,616
Abandoned Property	2	0	165,556	165,556	444,758
Vt State Retirement System	0	14,693,349	14,687,439	14,687,439	17,660,375
Municipal Employees' Retirement	0	842,648	1,048,926	1,048,926	1,099,495
TOTAL	33	19,773,351	18,384,687	18,434,455	21,744,244
FUND TYPE					
General Fund		578,604	607,438	623,256	690,810
Transportation Fund		112,812	123,714	126,590	128,477
Special Fund		1,021,464	16,902,778	16,932,016	20,018,993
Permanent Trust Fund		379,549	0	0	0
Pension Trust Fund		15,535,997	545,000	545,000	410,000
Private Purpose Trust Fund		2,144,925	205,757	207,593	495,964
TOTAL		19,773,351	18,384,687	18,434,455	21,744,244

■	Abandoned Property (2.05%)
■	Municipal Employees' Retirement (5.06%)
■	Office of the Treasurer (11.68%)
■	Vt State Retirement System (81.22%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,743,030	2,176,246	2,226,014	2,199,234
Operating Expenses	2,114,775	306,520	306,520	340,382
Grants	379,549	0	0	0
<hr/> TOTAL	<hr/> 4,237,354	<hr/> 2,482,766	<hr/> 2,532,534	<hr/> 2,539,616
FUND TYPE				
General Fund	578,604	607,438	623,256	690,810
Transportation Fund	112,812	123,714	126,590	128,477
Special Fund	1,021,464	1,166,413	1,195,651	1,259,123
Permanent Trust Fund	379,549	0	0	0
Pension Trust Fund	0	545,000	545,000	410,000
Private Purpose Trust Fund	2,144,925	40,201	42,037	51,206
<hr/> TOTAL	<hr/> 4,237,354	<hr/> 2,482,766	<hr/> 2,532,534	<hr/> 2,539,616

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Abandoned Property

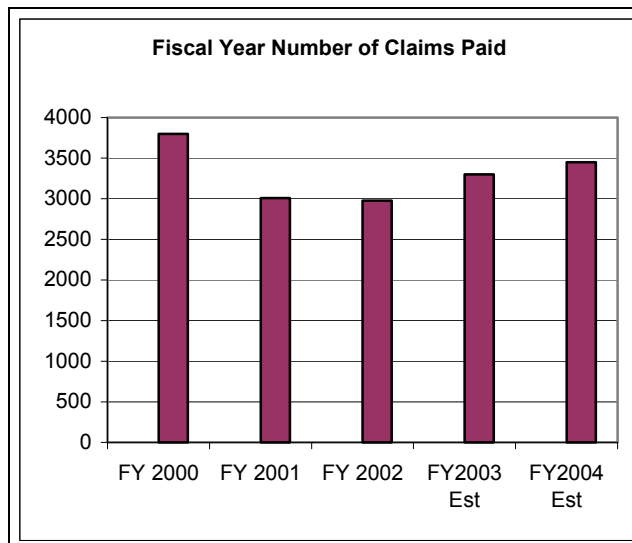
Performance Program Information

Results:

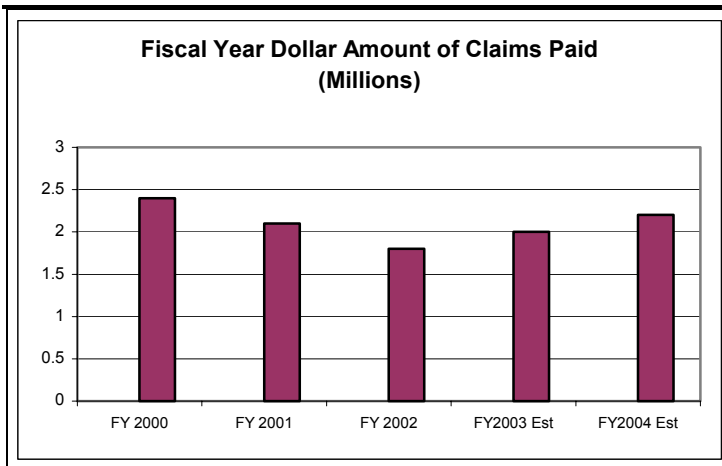
The primary function of the Abandoned Property Division is to locate and return abandoned money and other property to the rightful owners or their heirs. This property is most often in the form of money, but it can also be stocks, mutual funds and contents of safe deposit boxes. The property comes from many sources including banks, credit unions, corporations, utilities, insurance agencies, retailers and governmental agencies throughout the United States. The office is also charged with keeping reliable records of payment and maintenance of all property remitted to the State.

The State of Vermont, State Treasurer's Office acts as custodian to safeguard the assets until they can be claimed by the rightful owners or heirs.

Key Indicators:



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Abandoned Property



Story Behind Baseline Performance:

There is no time limit for the rightful owner or heirs to claim assets. The State of Vermont serves only as a custodian until the rightful ownership is established.

Currently, the State Treasurer holds more than \$17.4 million of unclaimed property. In fiscal year 2002, holders of unclaimed property turned over \$3.5 million to the Vermont Abandoned Property Program, an increase of approximately \$.5 million from fiscal 2001.

There are several reasons for the increase.

- Increased Outreach Programs for holders
- Vermont Amnesty Program
- Reciprocity with other States

All states make a diligent effort to locate the missing owners and reunite them with their lost assets, and Vermont is no exception. The Abandoned Property Program publishes the names of owners in local newspapers for two consecutive weeks before October 1st. Each year we staff a booth at the Champlain Valley Fair complete with computers and brochures. We send out thousands of "owner letters" and enlist the town clerks all over Vermont to help us locate owners. Finally, we also make a list available to legislators so that they can assist their constituents in retrieving any unclaimed property held by the State. These efforts have paid off handsomely because Vermont has averaged over \$2 million in paid claims annually.

Recently enhanced claims paying and record keeping efforts have also contributed to Vermont's notable rankings. During 1999, computer claim tracking began which permitted automated retrieval, of claimant information and status. Further, claims payment was changed from a bi-monthly to a weekly payment schedule.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Abandoned Property

Recent Strategies:

- 1999-2000 - Initiate a two-year amnesty program, which granted amnesty from penalties to those Vermont businesses that previously failed to report unclaimed property. Holders of unclaimed property can be assessed a penalty of \$10.00 a day or 25 percent of the value of all abandoned property they fail to report.
- Vermont was one of the first States to enter into and link to the National State Abandoned Property information exchange.
- Continued enhancement and update of the Abandoned Property Website. Vermont residents can find a listing of property held by the state and recently added downloadable claim forms. A link to the National Abandoned Property database is provided as well.
- Continuous updates of the web page links are provided to alert Vermonsters to potential sources of abandoned property.

Performance Measures:

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<i>What/How Much We Do</i>			
1. # of seminars held	6	0	2
2. # of brochures distributed	7,000	5,000	7,000 Est.

How Well We Do It

1. # of Claims Paid	3,006	2977	3,300 Est
2. Avg Claim Paid	\$652	\$623	N/A

*N/A - Not Available

Is Anyone Better Off

1. \$ Volume of Remittances (mm)	\$5.1	\$3.5	\$3.0 Est
2. \$ Volume of Claims Paid (mm)	\$2.1	\$1.8	\$2.0 Est

What Do We Propose To Do To Improve Performance?

1. Generate greater public awareness through our outreach efforts via media advertising, owner letters and Fair attendance
2. Continue community outreach, especially with senior groups and civic clubs.
3. Continue to enhance and improve the Abandoned Property Web Site.
4. The design of "online claim" form filing and processing. Further review the existing database design and claim processing procedures.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Abandoned Property

5. Investigate lessening the holding period for Abandoned Property from the current 5 years to a 3 year period.
6. Investigate the sharing of information between State Agencies for the purpose of locating abandoned property owners.

FY04 Key Budget Issues:

The Fiscal 2004 Budget reflects a continuation of programmatic efforts. Additionally, upgrade from the current DOS operating system to a Windows product. New features:

- Interact with web site.
- Integration with mail systems, check writers and spreadsheets.
- Import holder and owner data from external files.
- Interface with statewide accounting system.

\$60,000 has been included in the FY04 budget submission for this purpose.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Abandoned Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	70,373	70,373	286,952
Operating Expenses	0	95,183	95,183	157,806
<hr/> TOTAL	<hr/> 0	<hr/> 165,556	<hr/> 165,556	<hr/> 444,758
FUND TYPE				
Private Purpose Trust Fund	0	165,556	165,556	444,758
<hr/> TOTAL	<hr/> 0	<hr/> 165,556	<hr/> 165,556	<hr/> 444,758

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	14,178,957	14,541,400	14,541,400	16,994,435
Operating Expenses	514,392	146,039	146,039	665,940
<hr/> TOTAL	<hr/> 14,693,349	<hr/> 14,687,439	<hr/> 14,687,439	<hr/> 17,660,375
FUND TYPE				
Special Fund	0	14,687,439	14,687,439	17,660,375
Pension Trust Fund	14,693,349	0	0	0
<hr/> TOTAL	<hr/> 14,693,349	<hr/> 14,687,439	<hr/> 14,687,439	<hr/> 17,660,375

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	705,757	1,002,100	1,002,100	900,400
Operating Expenses	136,891	46,826	46,826	199,095
<hr/> TOTAL	<hr/> 842,648	<hr/> 1,048,926	<hr/> 1,048,926	<hr/> 1,099,495
FUND TYPE				
Special Fund	0	1,048,926	1,048,926	1,099,495
Pension Trust Fund	842,648	0	0	0
<hr/> TOTAL	<hr/> 842,648	<hr/> 1,048,926	<hr/> 1,048,926	<hr/> 1,099,495

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board**

Department Mission Statement

It is the mission of the Labor Relations Board to resolve various labor relations disputes primarily in the public sector in Vermont. It is the overall goal of the Board to promote harmonious and productive labor relations among employers, unions and employees. Besides resolving disputes, the Board includes within its mission an educational role in labor relations.

Description of Appropriations, Divisions, & Programs

The Labor Relations Board is mandated to resolve labor relations disputes under the State Employees Labor Relations Act, the Municipal Employee Relations Act, the Labor Relations for Teachers Act, the State Labor Relations Act, and the Judiciary Employees Labor Relations Act. The Board determines appropriate bargaining units, conducts representation elections, and adjudicates unfair labor practice charges in cases involving relations between employers (State of Vermont, Vermont State Colleges, University of Vermont, municipal employers, school districts, and small private employers) and their employees. Also, with respect to the State, State Colleges and UVM, the Board makes final determination on employee grievances, and provides assistance in resolving negotiation disputes. In addition, there are other miscellaneous statutory provisions granting the Board jurisdiction to resolve disputes in various areas.

The Board consists of five citizen members whom are paid on a per diem basis. At present, the Board has two employees - Executive Director and Clerk.

Appropriation Key Budget Issues

The Board's major goal is to ensure the just and expeditious resolution of cases. The ability to achieve this goal is significantly impacted by the Board's workload each year and the funds appropriated to support the Board's efforts. The target budget for fiscal year 2004 constitutes an effective five percent reduction from the level-funding base budget for fiscal year 2003.

Under this budget, Board staffing remains at a reduced level. As a result of fiscal conditions, the Board has not filled a vacancy in one of three budgeted positions - Labor Relations Specialist. As of December 2000, the Board had staff working 76 hours a week. At present, the Board has its two staff - Executive Director and Clerk - working 68 hours a week, more than a 10 percent reduction in staffing hours. Under the target budget, staffing remains at this level. Board member per diems are budgeted at 75 percent of the level budgeted for fiscal year 2003. 28 days are budgeted for hearings, which is the average annual number of Board hearing/meeting days held over the past 10 years. Operating expenses are effectively

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board

ten percent lower than fiscal year 2003 appropriations once substantial increases in fee for space (i.e., rent) and VISION/ISD Assessment are taken into account. Under this reduction in operating expenses, the Board would reduce expenditures directed towards fulfilling its educational role in labor relations and otherwise limit discretionary spending.

In operating under this reduced funding level, the Board will continue to assess its priorities and adopt efficiencies in casehandling practices where feasible to strive to achieve its primary mission of justly and expeditiously resolving cases that come before it. Whether the Board will be successful in this regard, however, depends to some degree on circumstances beyond the Board's control. Most of the workload is generated by filed cases which the Board is mandated by statute to resolve. The Board already is experiencing difficulties handling the caseload. At present, the time to hear and decide cases has reached unacceptable levels. While the number of open cases is average, the average time to hear and resolve cases has risen substantially. Factors contributing to this have been a reduction in staffing hours, a trend towards increased use of discovery and other pre-hearing procedures by attorneys coming before the Board, more difficult cases, and an increase in pro se cases which typically require additional resources and time due to the self-represented employee's unfamiliarity with Board processes. If the number of cases, and increasing time commitment required for the average case, continues along recent patterns, achieving objectives is in danger. The ability of the Board to keep up with its caseload may be adversely affected under this funding level.

A historical review indicates the potential problems with reduced funding levels. Since the late 1980's, the number of cases filed in most years has been at substantially increased levels. Despite the persistent and substantial increase in the Board's workload, the Board was funded at levels well below that needed to handle a significantly increased caseload during fiscal years 1991 through 1993. The result was that the Board's ability to carry out its statutory mandate to resolve labor disputes was seriously hampered. The number of open cases and the average time to resolve cases reached unacceptably high levels. The Legislature recognized the need for increased funding beginning with the fiscal year 1994 budget. From that time until the fiscal year 2002 rescissions, on balance there were modest improvements in funding levels. Under these funding levels, the Board made substantial improvements in handling its workload. The performance narrative that accompanies this budget submission contains a detailed view of these developments. The decreased funding creates the potential of history repeating itself and the Board once again being hampered in its ability to resolve disputes.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board**

Performance Program Information

Results: The Board's major goal is to ensure the just and expeditious resolution of cases coming before it involving relations among employers (State of Vermont, Vermont State Colleges, University of Vermont, municipal employers, school districts, and small private employers), their employees and unions representing employees.

Indicators: There are several key indicators concerning whether the Board is achieving its goals. Some of the key indicators provide a quantitative measure of the Board's productivity and efficiency. A key component of any dispute resolution system is the ability to bring disputes to a timely and final resolution. One indicator of whether this is happening is whether the Board is staying abreast of its caseload, as indicated by whether the Board is able to reduce its backlog of cases by closing more cases than are filed during the year. Other quantitative indicators are length of time it takes between a case being filed and hearing before the Board, and length of time between case opening and closing. Another quantitative measurement, the number of open cases before the Board, provides a snapshot view of the Board's ability to stay current with its caseload.

In addition, there are some measurements of the quality of Board resolutions of labor disputes. The two best measurements are the frequency of appeals of Board decisions, and the success rate of the Board when decisions are appealed.

Baseline: The ability of the Board to achieve its goal of just and expeditious resolution of labor relations disputes is impacted dramatically by its workload each year. The number of cases filed in most years has been at substantially increased levels for more than a decade. Despite the persistent and substantial increase in the Board's workload, the Board was funded at levels well below that needed to handle a significantly increased caseload during fiscal years 1991 through 1993. The result was that the Board's ability to carry out its statutory mandate to resolve labor disputes was seriously hampered. The number of open cases and the average time to resolve cases reached unacceptably high levels. By the end of fiscal year 1993, the number of open cases was 38 percent higher than average. The time between case filing and hearing was 37 percent above average; it took on average eight months before a case was heard. The time between case filing and closing was 48 percent above average. Also, the serious underfunding resulted in the Board substantially cutting back its educational and research services.

The Legislature recognized the need for increased funding beginning with the fiscal year 1994 budget. From that time until the fiscal year 2002 rescissions, the Board realized modest improvements in funding levels.

Strategies: Under these funding improvements, the Board made substantial improvements in handling its workload. The Board adopted strategies that had a positive impact on the indicators concerning whether the Board was achieving its goal of just and expeditious resolution of labor relations disputes. In recent years, the Board has placed greater emphasis on staff attempting to informally resolve more

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board

cases, and narrow issues in dispute, through increased use of informal meetings, pre-hearing conferences and telephone conference calls. This has paid substantial dividends in more frequent informal resolution of cases and better use of the Board's hearing time. The better use of the Board's hearing time is demonstrated by the number of Board hearing/meeting days during calendar years 1996 - 2002 being substantially below average. The time between case filing and hearing was at below average levels until the past few years, as was the average time between case filing and closing. The number of open cases has been at near average, or below average, levels.

At present, while the number of open cases is average, the average time to hear and resolve cases has risen substantially. Contributing factors to this have been a reduction in staffing hours, a trend towards increased use of discovery and other pre-hearing procedures by attorneys coming before the Board, more difficult cases, and an increase in *pro se* cases which typically require additional resources and time due to the self-represented employee's unfamiliarity with Board processes. The Board's strategy to seek to improve the performance indicators include increased use of mediation, training persons that come before the Board, establishing pre-hearing discovery schedules, and continued exploration of methods to interact with parties in a time-efficient and economical way in handling cases.

Performance Measures: The Board has developed several performance measures to determine whether the strategies adopted by the Board are having a positive impact on indicators demonstrating whether the Board is achieving its goal of just and expeditious resolution of labor relations disputes. In the following table, quantitative performance measures, and the actual experience and target levels for calendar years, are set forth:

<i>Performance Measures</i>	<i>Actual 1999</i>	<i>Actual 2000</i>	<i>Actual 2001</i>	<i>Actual 2002</i>	<i>Target 2003</i>
<i>Cases Filed</i>	78	79	79	65	80
<i>Cases Closed</i>	83	80	69	69	80
<i>Cases Open at End of Year</i>	32	31	41	35	35
<i>Board Hearing Days</i>	31	27	21	18	25
<i>Cases Heard</i>	25	23	14	14	25
<i>Average Days Between Case Filing and Scheduled Hearing</i>	155	176	172	211	180
<i>Average Days Between Case Filing and Case Closing</i>	167	164	174	231	200

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board

Existing performance measurements of the quality of Board resolutions of labor disputes concern appeals of Board decisions to the Vermont Supreme Court. During the past ten years, the rate of appeal of Board decisions has been low; 17 percent of decisions have been appealed on average. The trend of decreased appeals reflects the cumulative effect of the establishment of precedent over a long period of time. During the past ten years, the Board has been fully affirmed by the Vermont Supreme Court in 90 percent of cases. The high rate of success of the Board in having decisions affirmed by the Court, and the decreased number of appeals, have resulted in the effectiveness of Board decisions reaching high levels. During the past ten years, the chance of a Board decision remaining in effect and not being reversed has been 98 percent.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
State Labor Relations Board	3	157,412	180,188	203,174	179,818
TOTAL	3	157,412	180,188	203,174	179,818
FUND TYPE					
General Fund		157,412	168,958	191,944	168,272
Transportation Fund		0	5,528	5,528	5,676
Special Fund		0	5,702	5,702	5,870
TOTAL		157,412	180,188	203,174	179,818

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	127,784	145,282	166,268	145,078
Operating Expenses	29,628	34,906	36,906	34,740
<hr/> TOTAL	<hr/> 157,412	<hr/> 180,188	<hr/> 203,174	<hr/> 179,818
FUND TYPE				
General Fund	157,412	168,958	191,944	168,272
Transportation Fund	0	5,528	5,528	5,676
Special Fund	0	5,702	5,702	5,870
<hr/> TOTAL	<hr/> 157,412	<hr/> 180,188	<hr/> 203,174	<hr/> 179,818

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Executive Office

Department Mission Statement

Office of the Governor -- the staff supports the Governor as he fulfills his statutory duties as Vermont's Chief Executive. Communications development of Governor's administrative and legislative agenda/priorities. Representing the state at the state, national and global levels. Management of appointments to Boards and Commissions. Also track policy changes in the legislature and inter-agency coordination. Provide communication and referrals with the public.

Vermont Commission on National and Community Service - to foster an ethic of service and to support and recognize community service and volunteerism throughout our state.

Description of Appropriations, Divisions, & Programs

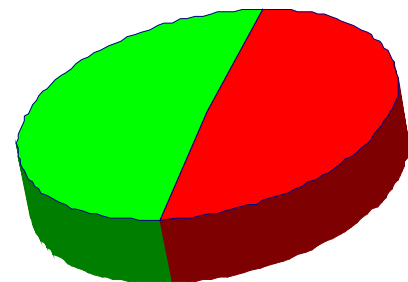
Office of the Governor - The Office of the Governor staff provides support to the Governor as he fulfills his statutory duties as Vermont's Chief Executive. The Governor's senior staff consists of a Chief of Staff; a Deputy Chief of Staff; a Special Assistant; a Legal Counsel; a Secretary of Civil & Military Affairs; a Press Secretary. The Governor is also supported by an Executive Assistant for scheduling; and an Assistant for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by a Business Manager and clerical support for the senior staff is provided by two Administrative Secretaries. The Governor is also served by one Receptionist and two Information Officers who provide communication with the public.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Governor's Office	19	1,367,663	1,371,334	1,397,324	1,407,371
National and Community Service	3	1,407,925	1,677,264	1,680,357	1,465,221
TOTAL	22	2,775,588	3,048,598	3,077,681	2,872,592
FUND TYPE					
General Fund		1,122,116	1,132,276	1,153,380	1,147,705
Transportation Fund		187,418	187,676	191,575	194,481
Special Fund		5,685	3,185	3,185	3,185
Federal Revenue Fund		1,358,828	1,616,461	1,618,842	1,408,221
Interdepartmental Transfer		101,541	109,000	110,699	119,000
TOTAL		2,775,588	3,048,598	3,077,681	2,872,592

■	Governor's Office (48.99%)
■	National and Community Service (51.01%)



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Office**

Description of Appropriations, Divisions, & Programs

Office of the Governor - The Office of the Governor staff provides support to the Governor as he fulfills his statutory duties as Vermont's Chief Executive. The Governor's senior staff consists of a Chief of Staff; a Special Assistant; a Legal Counsel; a Secretary of Civil & Military Affairs; an assistant who serves as Press Secretary; and, for planning policy research and development, a Director of Policy and Research (who also serves as Legislative Liaison) along with three policy analysts. The Governor is also supported by an Assistant for scheduling; and an Assistant for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by a Business Manager and clerical support for the senior staff is provided by an Administrative Secretary. The Governor is also served by one Receptionist; two Information Officers who provide communication with the public; and one Special Assistant who works on special projects. The policy research and development staff is also supported by an Administrative Secretary.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,115,874	1,048,906	1,074,896	1,084,819
Operating Expenses	251,789	270,450	270,450	270,574
Grants	0	51,978	51,978	51,978
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	1,367,663	1,371,334	1,397,324	1,407,371
 FUND TYPE				
General Fund	1,073,019	1,071,473	1,091,865	1,090,705
Transportation Fund	187,418	187,676	191,575	194,481
Special Fund	5,685	3,185	3,185	3,185
Interdepartmental Transfer	101,541	109,000	110,699	119,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	1,367,663	1,371,334	1,397,324	1,407,371

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
National and Community Service

Description of Appropriations, Divisions, & Programs

A National and Community Service grant office is administered through the Governor's Office. The office serves as the funding conduit for AmeriCorps programs in the state. Technical assistance and program development services are provided through three limited service positions (an Executive Director, a Resource Specialist, and an Information & Education Specialist) established by the Joint Fiscal Committee in FY94, and approved in subsequent years by the full Legislature. The staff works in collaboration with a Governor-appointed board to expand service and volunteer programs in the state. Funds are predominantly federal funds. A small state appropriation provides essential funds for dollar for dollar match required for the Corporation for National Service Federal Administration Grant.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	131,847	153,402	156,495	161,890
Operating Expenses	104,590	95,219	95,219	95,219
Grants	1,171,488	1,428,643	1,428,643	1,208,112
<hr/> TOTAL	<hr/> 1,407,925	<hr/> 1,677,264	<hr/> 1,680,357	<hr/> 1,465,221
 FUND TYPE				
General Fund	49,097	60,803	61,515	57,000
Federal Revenue Fund	1,358,828	1,616,461	1,618,842	1,408,221
<hr/> TOTAL	<hr/> 1,407,925	<hr/> 1,677,264	<hr/> 1,680,357	<hr/> 1,465,221

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
VOSHA Review Board**

Department Mission Statement

The Vermont Occupational Safety and Health Review Board was created by Act 205, Laws 1971, charged with carrying out the responsibilities given it under 21 V.S.A. Section 226(c), (d) and 230; specifically hearing and deciding cases involving employer contest of alleged safety and health violations under the Vermont Occupational Safety and Health Act Code. This quasi-judicial Board's goals and objectives are the fulfillment of the statutory requirement of timely processing of the contested cases filed with it. Caseload is directly dependent upon the activities of the Department of Labor and Industry, Division of Occupational Safety and Health, through its inspections of Vermont workplaces and subsequent citations issued to those employers alleged to be in violation of the Code.

Description of Appropriations, Divisions, & Programs

The VOSHA Review Board program operates statewide, involving employers contesting citations brought against them by the Commissioner of Labor and Industry, through the Division of Occupational Safety and Health. The goal of this quasi-judicial board with clear-cut statutory requirements is the timely processing of contested cases filed with them. Comprised of three members, serving staggered six-year terms appointed biennially by the Governor with the advice and consent of the Senate, are paid on a per diem basis. The Board employs one part-time Clerk who acts as the sole administrative/clerical support to the Board. Using hearing officers to conduct hearings and prepare written findings and decisions, the Board has ultimate review and determination of all decisions.

Appropriation Key Budget Issues

Due to encouraged settlement of cases prior to hearing, not all cases reach the final hearing stage. However, the Board cannot ascertain with accuracy which pending cases will come to a hearing prior thereto. Furthermore, whether or not a case is carried to the final hearing stage, the Board must issue Orders which involves expenses nonetheless.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
VOSHA Review Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
VOSHA Review Board	1	30,723	38,030	38,718	40,300
<hr/> TOTAL	<hr/> 1	<hr/> 30,723	<hr/> 38,030	<hr/> 38,718	<hr/> 40,300
FUND TYPE					
General Fund		15,207	18,654	18,998	20,150
Federal Revenue Fund		15,516	19,376	19,720	20,150
<hr/> TOTAL		<hr/> 30,723	<hr/> 38,030	<hr/> 38,718	<hr/> 40,300

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
VOSHA Review Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	28,038	29,184	29,872	31,681
Operating Expenses	2,685	8,846	8,846	8,619
<hr/> TOTAL	<hr/> 30,723	<hr/> 38,030	<hr/> 38,718	<hr/> 40,300
FUND TYPE				
General Fund	15,207	18,654	18,998	20,150
Federal Revenue Fund	15,516	19,376	19,720	20,150
<hr/> TOTAL	<hr/> 30,723	<hr/> 38,030	<hr/> 38,718	<hr/> 40,300

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Tax Assistance

Department Mission Statement

Created by Act 60, The Equal Educational Opportunity Act of 1997, this successor to the Property Tax Rebate Program relieves the property tax burden of Vermont residents by insuring that property taxes or rent attributable to property taxes does not exceed a prescribed percentage of a resident's household income. Direct payments are issued to claimants from the Department of Taxes that administers this program through the development and distribution of forms, educational services, and processing and verification claims. This initiative extends property tax relief to nearly 150,000 homeowners and renters.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Tax Assistance

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Property Tax Assistance	0	89,148,166	97,087,000	97,087,000	99,562,060
<hr/> TOTAL	<hr/> 0	<hr/> 89,148,166	<hr/> 97,087,000	<hr/> 97,087,000	<hr/> 99,562,060
FUND TYPE					
General Fund		5,468,016	6,500,000	6,500,000	7,084,690
Transportation Fund		4,047,547	3,842,000	3,842,000	4,385,016
Education Fund		79,632,603	86,745,000	86,745,000	88,092,354
<hr/> TOTAL		<hr/> 89,148,166	<hr/> 97,087,000	<hr/> 97,087,000	<hr/> 99,562,060

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Tax Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	89,148,166	97,087,000	97,087,000	99,562,060
<hr/> TOTAL	<hr/> 89,148,166	<hr/> 97,087,000	<hr/> 97,087,000	<hr/> 99,562,060
FUND TYPE				
General Fund	5,468,016	6,500,000	6,500,000	7,084,690
Transportation Fund	4,047,547	3,842,000	3,842,000	4,385,016
Education Fund	79,632,603	86,745,000	86,745,000	88,092,354
<hr/> TOTAL	<hr/> 89,148,166	<hr/> 97,087,000	<hr/> 97,087,000	<hr/> 99,562,060

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

Department Mission Statement

To assist in preserving Vermont's productive agricultural and forest lands, enrolled properties are taxed on their use value rather than fair market value. This program was changed effective July 1, 1996 to require that municipalities list all enrolled property at use value and was further changed by the passage of Act 60 where the impact of use value on education property tax revenue is addressed by the statewide funding of education. This program continues to reimburse communities for only the loss of municipal property tax revenue resulting from the use value appraisal of enrolled properties.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Use Tax Reimbursement Fund	0	4,587,066	5,100,000	5,100,000	5,700,000
<hr/> TOTAL	<hr/> 0	<hr/> 4,587,066	<hr/> 5,100,000	<hr/> 5,100,000	<hr/> 5,700,000
FUND TYPE					
General Fund		2,166,666	3,029,610	3,029,610	3,389,610
Transportation Fund		2,420,400	2,070,390	2,070,390	2,310,390
<hr/> TOTAL		<hr/> 4,587,066	<hr/> 5,100,000	<hr/> 5,100,000	<hr/> 5,700,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,587,066	5,100,000	5,100,000	5,700,000
<hr/> TOTAL	<hr/> 4,587,066	<hr/> 5,100,000	<hr/> 5,100,000	<hr/> 5,700,000
FUND TYPE				
General Fund	2,166,666	3,029,610	3,029,610	3,389,610
Transportation Fund	2,420,400	2,070,390	2,070,390	2,310,390
<hr/> TOTAL	<hr/> 4,587,066	<hr/> 5,100,000	<hr/> 5,100,000	<hr/> 5,700,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lieutenant Governor

Department Mission Statement

The powers and duties of the Lieutenant Governor are constitutionally assigned. (See Chapter II, Section 19 of the Vermont constitution.) The Lieutenant Governor serves as President of the Senate. Although he presides over the Senate, he has no vote unless the Senate is equally divided. The Constitution provides that in case of death, resignation, or other disability of the Governor, the powers, duties and emoluments of the office shall devolve upon the Lieutenant Governor for the remainder of the term.

Description of Appropriations, Divisions, & Programs

The Lieutenant Governor's office works with citizens, public officials, legislators, and state agencies on a daily basis. Under the direction of the Lieutenant Governor, meetings and task forces are coordinated and research projects are undertaken. The office acts as an ombudsman for Vermont citizens by providing information and support. The Lieutenant Governor's office is staffed with one full-time employee and uses part-time, temporary employees as needed.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Lieutenant Governor	2	100,394	114,671	125,429	118,551
<hr/> TOTAL	<hr/> 2	<hr/> 100,394	<hr/> 114,671	<hr/> 125,429	<hr/> 118,551
FUND TYPE					
General Fund		80,460	92,060	102,301	94,738
Transportation Fund		19,934	22,611	23,128	23,813
<hr/> TOTAL		<hr/> 100,394	<hr/> 114,671	<hr/> 125,429	<hr/> 118,551

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	99,822	100,790	103,548	103,049
Operating Expenses	572	13,881	21,881	15,502
<hr/> TOTAL	<hr/> 100,394	<hr/> 114,671	<hr/> 125,429	<hr/> 118,551
FUND TYPE				
General Fund	80,460	92,060	102,301	94,738
Transportation Fund	19,934	22,611	23,128	23,813
<hr/> TOTAL	<hr/> 100,394	<hr/> 114,671	<hr/> 125,429	<hr/> 118,551

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislature

Department Mission Statement

The mission of the Legislature, as set out in the State's Constitution. Chapter II, sections 1 and 2 direct the Senate and House of Representatives to exercise the "Supreme Legislative power" and that, together with the Governor, the Senate and House of Representatives shall "govern the State of Vermont." The legislature establishes state policy, enacts laws, raises revenue, and authorizes and oversees the expenditure of funds and operations of state government.

Appropriation Key Budget Issues

The legislature's FY 03 budget request is within the governor's target, and in that sense is "level funded." There are however a few new expenditure items. One is the new Fee for Space Program for which charges are made and funds provided in this budget. Another is funding for the New Member Orientation Program in late fall of 2002. A third is funding for an additional information technology specialist or additional IT contract services as discussed elsewhere in the Mission statement and Goals of the Legislative Information Technology Program.

As always, the major budgeting question for the legislature is anticipating the length of the Legislative Session in 2003. Being level funded, the proposed FY 03 budget provides funding for a 16 week session which is the end of April in 2003. The legislature has adjourned in April only three times in the last ten years. Each additional week of session costs approximately \$200,000.00.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislature

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Legislature	11	5,576,117	4,643,065	4,664,611	4,552,270
TOTAL	11	5,576,117	4,643,065	4,664,611	4,552,270
FUND TYPE					
General Fund		4,716,669	3,783,378	3,801,965	3,684,593
Transportation Fund		859,448	859,687	862,646	867,677
TOTAL		5,576,117	4,643,065	4,664,611	4,552,270

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislature

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	3,154,489	2,506,115	2,527,661	2,389,401
Operating Expenses	2,139,192	2,136,950	2,136,950	2,162,869
Grants	164	0	0	0
Non Operating Exp Budget	67	0	0	0
Land Structures & Improve Budg	282,205	0	0	0
<hr/> TOTAL	<hr/> 5,576,117	<hr/> 4,643,065	<hr/> 4,664,611	<hr/> 4,552,270
FUND TYPE				
General Fund	4,716,669	3,783,378	3,801,965	3,684,593
Transportation Fund	859,448	859,687	862,646	867,677
<hr/> TOTAL	<hr/> 5,576,117	<hr/> 4,643,065	<hr/> 4,664,611	<hr/> 4,552,270

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislative Council

Department Mission Statement

The mission of the Legislative Council is to support the Legislature by providing legal and legislative research, bill drafting and administrative services to all members, committees, and both chambers of the Legislative branch.

Appropriation Key Budget Issues

The Council budget for FY 03 is within the governor's target recommendations. It is "level funded" and has no new expenditure items with the exception of the "fee for space" charges and funding, also as recommended by the governor. Almost all other expenditures of the Legislative Council are for personal services. There is currently one vacant position, but the budget does not provide for filling this vacancy in FY 03.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Legislative Council	27	1,668,382	1,722,791	1,763,887	1,762,400
TOTAL	27	1,668,382	1,722,791	1,763,887	1,762,400
FUND TYPE					
General Fund		1,401,455	1,444,667	1,479,352	1,473,692
Transportation Fund		266,927	278,124	284,535	288,708
TOTAL		1,668,382	1,722,791	1,763,887	1,762,400

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,657,493	1,630,701	1,671,797	1,642,345
Operating Expenses	10,889	92,090	92,090	120,055
<hr/> TOTAL	<hr/> 1,668,382	<hr/> 1,722,791	<hr/> 1,763,887	<hr/> 1,762,400
FUND TYPE				
General Fund	1,401,455	1,444,667	1,479,352	1,473,692
Transportation Fund	266,927	278,124	284,535	288,708
<hr/> TOTAL	<hr/> 1,668,382	<hr/> 1,722,791	<hr/> 1,763,887	<hr/> 1,762,400

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sergeant at Arms

Department Mission Statement

To serve the Legislators and constituents on a year round basis as well as tourists. Maintain order in the Capitol Building, arrange meetings, schedule rooms, and distribute mail, maintain furnishings and the building. Organize and supervise the 30 pages, provide telephone services, and cafeteria services. Provide police officers.

Description of Appropriations, Divisions, & Programs

Duties involve overseeing the activities in the State House and maintaining the same; this includes furnishings. The staff consists of the Sergeant at Arms, one assistant and one other office staff members. In addition, five door keepers (only four on at a time), traffic and security officer and custodians are managed by the Sergeant at Arms.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Sergeant at Arms	4	369,231	368,900	373,766	367,545
<hr/> TOTAL	<hr/> 4	<hr/> 369,231	<hr/> 368,900	<hr/> 373,766	<hr/> 367,545
FUND TYPE					
General Fund		320,590	320,207	324,794	317,240
Transportation Fund		48,641	48,693	48,972	50,305
<hr/> TOTAL		<hr/> 369,231	<hr/> 368,900	<hr/> 373,766	<hr/> 367,545

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	330,108	317,512	322,378	330,057
Operating Expenses	39,123	51,388	51,388	37,488
<hr/> TOTAL	<hr/> 369,231	<hr/> 368,900	<hr/> 373,766	<hr/> 367,545
FUND TYPE				
General Fund	320,590	320,207	324,794	317,240
Transportation Fund	48,641	48,693	48,972	50,305
<hr/> TOTAL	<hr/> 369,231	<hr/> 368,900	<hr/> 373,766	<hr/> 367,545

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

Department Mission Statement

To provide the Vermont Legislature with sound research, analysis, forecasts and recommendations on state government revenues and spending; to provide the members with high quality work that is factually-based and delivered in a timely and professional and non-partisan manner, so they can make informed decisions that are in the best interests of the citizens of Vermont.

Description of Appropriations, Divisions, & Programs

The Joint Fiscal Office is staffed by 10 permanent exempt employees, and one (1) temporary session employee. The governing board is the 10 member Joint Fiscal Committee established pursuant to 2 V.S.A. Chapter 15 (§ 501-504).

Statute Regarding Functions of Joint Fiscal Committee:

2 V.S.A. Chapter 15 § 503

Functions:

- (a) The joint fiscal committee shall direct, supervise and coordinate the work of its staff and secretaries.
- (b) The joint fiscal committee shall:
 - (1) Furnish research services and secretarial services of a fiscal nature to the committee on appropriations, the senate committee on finance, the house committee on ways and means, the committees on transportation and the joint fiscal committee;
 - (2) Carry on a continuing review of the fiscal operations of the state, including but not limited to revenues, budgeting and expenditures;
 - (3) Accept grants, gifts, loans, or any other thing of value, approved by the governor; under the provisions of 32 V.S.A. § 5, when the general assembly is not in session.
 - (4) Keep minutes of its meetings and maintain a file thereof.

Description of Staff Responsibilities:

The staff of the House and Senate Appropriations and Transportation Committees performs the following core functions: analyzes agency budget requests; analyzes the Governor's budget recommendation; prepares alternative budget recommendations; provides technical, preparatory support to the Committees; prepares fiscal notes; and provides staff

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Joint Fiscal Committee	10	818,344	908,826	929,155	910,220
<hr/> TOTAL	<hr/> 10	<hr/> 818,344	<hr/> 908,826	<hr/> 929,155	<hr/> 910,220
FUND TYPE					
General Fund		656,974	747,276	763,910	742,920
Transportation Fund		161,370	161,550	165,245	167,300
<hr/> TOTAL		<hr/> 818,344	<hr/> 908,826	<hr/> 929,155	<hr/> 910,220

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

Performance Program Information

Program Goals and Performance Measures:

To achieve the Joint Fiscal Office's mission, three goals have been established.

Goal 1 - A high level of legislative satisfaction with the work of the Joint Fiscal Office.

Goal 2 - To produce accurate revenue estimates.

Goal 3 - To produce accurate fiscal estimates for bills being considered by the Legislature.

The realization of these goals is measured through both qualitative and quantifiable methods. The qualitative methods of measurement are as follows:

o First, staff continuously interact with legislators and others involved in the legislative process. Direct feedback allows constant review of office activities.

o Second, at the close of each session, the fiscal officer and other staff meet with the money committee chairs, the Joint Fiscal Committee Chair and other leadership to assess office performance.

The quantitative measures are as follows:

The primary quantifiable measure is a biannual survey of legislators (1998 survey instrument attached). The survey requests specific and written feedback. The specific feedback responses are assigned a point value from 0 - 4 points; unsatisfactory (0), poor (1), satisfactory (2), good (3), excellent (4). The office sets as a goal achieving a 3.5 point average response in each question area and a 3.5 average response for the survey overall. In addition, the office has a goal of 100% positive response that the staff are available to serve both houses of the Legislature and both parties. In 2000, 38.3% of legislators responded to the survey instrument. The Joint Fiscal Office has made an improvement on the number of responses and will continue efforts to increase survey responses as part of improving its evaluation efforts.

Goal 1 - A high level of legislative satisfaction with the work of the Joint Fiscal Office

Survey responses:

o Summer 2000: 180 surveys mailed; 69 surveys returned, a 38.3% response rate.

o Summer 1998: 180 surveys mailed; 30 surveys returned, a 16.7% response rate.

a) Overall quality of JFO staff interactions with legislators

64th Biennium
Actual

65th Biennium
Actual

66th Biennium
Target

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee**

3.50	3.54	3.56
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b) Clarity of JFO staff presentations - oral and written

64th Biennium Actual	65th Biennium Actual	66th Biennium Target
3.11	3.41	3.50

c) JFO staff knowledge of subject matter

64th Biennium Actual	65th Biennium Actual	66th Biennium Target
3.44	3.55	3.55

d) JFO staff timeliness of response

64th Biennium Actual	65th Biennium Actual	66th Biennium Target
3.11	3.43	3.50

e) JFO staff available to both houses - % positive response

64th Biennium Actual	65th Biennium Actual	66th Biennium Target
100%	100%	100%

f) JFO staff available to serve members of all parties - % respondent agreement

64th Biennium Actual	65th Biennium Actual	66th Biennium Target
100%	100%	100%

Goal 2 - To establish accurate official revenue estimates

FY 2001	January Estimate	Actual	% Variance from Estimate
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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

General Fund	\$ 883.7 M	\$ 899.9 M	7.8%
Transportation Fund	\$ 188.0 M	\$ 185.9 M	1.1%
Education Fund	\$ 90.5 M	\$ 89.3 M	-1.3%

FY 2002 - 12 Month Estimate - 98% Accuracy

General Fund	\$ 880.9M
Transportation Fund	\$ 190.1M
Education Fund	\$ 87.5M

FY 2003 - 12 Month Estimate - 98% Accuracy

General Fund	\$ 896.2M
Transportation Fund	\$ 195.4M
Education Fund	\$ 89.4M

Goal 3 - To produce accurate fiscal notes for bills being considered by the legislature

Performance Measure: Percent by which actual fiscal notes vary from actual results.
Measurement for this to be developed.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	781,177	841,642	861,971	842,287
Operating Expenses	37,167	67,184	67,184	67,933
<hr/> TOTAL	<hr/> 818,344	<hr/> 908,826	<hr/> 929,155	<hr/> 910,220
FUND TYPE				
General Fund	656,974	747,276	763,910	742,920
Transportation Fund	161,370	161,550	165,245	167,300
<hr/> TOTAL	<hr/> 818,344	<hr/> 908,826	<hr/> 929,155	<hr/> 910,220

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lottery Commission

Department Mission Statement

To operate a State Lottery that will produce the maximum amount of net revenue consonant with the dignity of the State and the general welfare of the people.

Description of Appropriations, Divisions, & Programs

The Lottery offers four products to the playing public: Instant Games; and On-Line games known as the Tri-State Megabucks, Win Cash, and the Daily Numbers Games of Pick 3 and Pick 4. Licensed Vermont Lottery agents offer lottery games to players. Currently, there are approximately 750 licensed Vermont Lottery agents. All agents sell instant games and about 550 agents also sell on-line games.

The Vermont Lottery was established in 1977, under Public Acts Number 82, now codified as 31 VSA Chapter 14, for the establishment and management of the Lottery. A small staff of professionals consisting of twenty full-time employees operates the Vermont Lottery. It is one of the smallest staffs of any lottery in the United State. Public oversight is provided by a five-person policy setting Board of Commissioners, appointed by the Governor and approved by the State Senate.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Lottery Commission	20	1,753,607	1,789,418	1,821,101	1,931,526
TOTAL	20	1,753,607	1,789,418	1,821,101	1,931,526
FUND TYPE					
Enterprise Fund		1,753,607	1,789,418	1,821,101	1,931,526
TOTAL		1,753,607	1,789,418	1,821,101	1,931,526

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,102,275	1,127,907	1,159,590	1,218,565
Operating Expenses	651,332	661,511	661,511	712,961
<hr/> TOTAL	<hr/> 1,753,607	<hr/> 1,789,418	<hr/> 1,821,101	<hr/> 1,931,526
FUND TYPE				
Enterprise Fund	1,753,607	1,789,418	1,821,101	1,931,526
<hr/> TOTAL	<hr/> 1,753,607	<hr/> 1,789,418	<hr/> 1,821,101	<hr/> 1,931,526

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes**

Department Mission Statement

The PILOT program provides state payments to municipalities to offset the tax burden resulting from the presence of un-taxed, state buildings and other state owned facilities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Payments in Lieu of Taxes	0	1,850,000	2,250,000	2,250,000	2,250,000
<hr/> TOTAL	<hr/> 0	<hr/> 1,850,000	<hr/> 2,250,000	<hr/> 2,250,000	<hr/> 2,250,000
FUND TYPE					
General Fund		1,450,000	1,100,000	1,100,000	1,100,000
Special Fund		400,000	1,150,000	1,150,000	1,150,000
<hr/> TOTAL		<hr/> 1,850,000	<hr/> 2,250,000	<hr/> 2,250,000	<hr/> 2,250,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	1,850,000	2,250,000	2,250,000	2,250,000
TOTAL	1,850,000	2,250,000	2,250,000	2,250,000
FUND TYPE				
General Fund	1,450,000	1,100,000	1,100,000	1,100,000
Special Fund	400,000	1,150,000	1,150,000	1,150,000
TOTAL	1,850,000	2,250,000	2,250,000	2,250,000

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Montpelier PILOT**

Department Mission Statement

This PILOT program provides state payments to the capital city to offset its unique tax burden resulting from the presence of un-taxed, state buildings and other state owned facilities.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Montpelier PILOT**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Montpelier PILOT	0	184,000	184,000	184,000	184,000
TOTAL	0	184,000	184,000	184,000	184,000
FUND TYPE					
General Fund		184,000	184,000	184,000	184,000
TOTAL		184,000	184,000	184,000	184,000

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Montpelier PILOT**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000
FUND TYPE				
General Fund	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections PILOT**

Department Mission Statement

The corrections PILOT program provides state payments to municipalities to offset the tax burden resulting from the presence of untaxed correctional facilities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Corrections PILOT	0	40,000	40,000	40,000	40,000
TOTAL	0	40,000	40,000	40,000	40,000
FUND TYPE					
General Fund		40,000	40,000	40,000	40,000
TOTAL		40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000
FUND TYPE				
General Fund	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Attorney General

Department Mission Statement

To provide high quality legal services on behalf of Vermont citizens and Vermont state government.

Description of Appropriations, Divisions, & Programs

The Attorney General's Office represents the State of Vermont in a wide range of criminal, civil and administrative proceedings. For example, the Office investigates and prosecutes violations of criminal and environmental statutes. It enforces laws that protect against consumer fraud and discriminatory employment practices. It defends money claims against state agencies and employees, and pursues claims on their behalf. The Office tries cases in the state and federal courts and in various administrative tribunals. The Attorney General advises government agencies and officials on legal questions relating to their official duties.

The Antitrust Unit investigates and litigates anti-competitive conduct and mergers, responding to both consumer and business inquiries and complaints. Recent investigations have included examinations in the following areas: dairy industry in the Northeast; grocery industry; pharmaceutical manufacturers, both patent holders and generic producers; vitamins manufacturers; airline mergers; funeral home activities; retail price maintenance by music CD distributors; and the recently announced merger of the two satellite television distributors.

The Civil Rights Unit again reduced its total caseload of employment discrimination cases this year by careful screening of new claims and streamlining of investigative practices. The unit handled litigation concerning sexual harassment, disability discrimination, and parental and family leave act violations. It continued outreach to the public through brochures on employment discrimination, parental and family leave, and hate crimes, as well as through public presentations, particularly to the Vermont refugee community. The Unit also assists victims of hate crimes in obtaining civil protective orders.

The Consumer Protection Unit is comprised of the Consumer Assistance Program ("CAP"), which handles consumer complaints and inquiries from its offices at UVM, the litigation staff in Montpelier who handle local and multistate consumer fraud litigation, charities enforcement and rulemaking, and, under a special grant from the Department of Justice, community outreach on telemarketing fraud. In the past year the unit handled a large number of matters in deceptive advertising, sweepstakes promotions and privacy, and coordinated a multidisciplinary initiative to address the needs of Vermont seniors.

The Environmental Unit handles referrals for both enforcement and defense of state and federal environmental laws, from the Agency of Natural Resources, the Environmental and Water Resources

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Attorney General

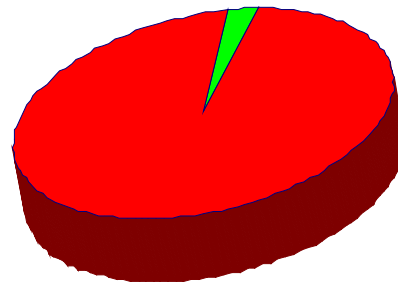
Boards, and the Departments of Health, Housing and Community Affairs and Labor and Industry. The unit settled two major solid waste site suits and continues representation of Vermont in a large, multistate lawsuit against various power plants in the Midwest for Clean Air Act violations. The AGO brought criminal charges in two environmental cases involving hazardous waste and during the past year.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Attorney General**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Attorney General	71	5,077,088	5,162,830	5,215,973	5,310,245
Telemarketing Fraud	2	0	150,000	150,000	150,000
TOTAL	73	5,077,088	5,312,830	5,365,973	5,460,245
FUND TYPE					
General Fund		2,143,509	2,274,914	2,326,447	2,286,068
Transportation Fund		83,395	83,495	85,105	85,971
Special Fund		1,063,190	1,101,978	1,101,978	1,243,333
Federal Revenue Fund		583,985	636,443	636,443	618,346
Interdepartmental Transfer		1,203,009	1,216,000	1,216,000	1,226,527
TOTAL		5,077,088	5,312,830	5,365,973	5,460,245

■	Attorney General (97.25%)
■	Telemarketing Fraud (2.75%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,365,938	4,301,970	4,355,113	4,431,588
Operating Expenses	711,150	860,860	860,860	878,657
<u>TOTAL</u>	<u>5,077,088</u>	<u>5,162,830</u>	<u>5,215,973</u>	<u>5,310,245</u>
FUND TYPE				
General Fund	2,143,509	2,274,914	2,326,447	2,286,068
Transportation Fund	83,395	83,495	85,105	85,971
Special Fund	1,063,190	1,101,978	1,101,978	1,243,333
Federal Revenue Fund	583,985	486,443	486,443	468,346
Interdepartmental Transfer	1,203,009	1,216,000	1,216,000	1,226,527
<u>TOTAL</u>	<u>5,077,088</u>	<u>5,162,830</u>	<u>5,215,973</u>	<u>5,310,245</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Telemarketing Fraud

Performance Program Information

Desired Results:

The purpose of the Telemarketing Fraud unit of the Attorney General's Office is to decrease the amount of telemarketing fraud in Vermont. Success would decrease the number of Vermonters and others who fall victim to telemarketing fraud.

Background:

The cost of telemarketing fraud nationally has been estimated to approach \$40 billion annually. While financial costs within the State of Vermont are unknown, based on the state's percentage of the national population (.021 percent) the figure could exceed \$80 million annually.

Many victims do not want to report this crime, or do not want the police, their family, or the press notified due to embarrassment, guilt or shame of being victimized. The difficulty of identifying fraudulent telemarketing cases is exacerbated by the rural nature of the State of Vermont. Vermont had a population of 608,827 in the 2000 Census. A substantial number, 134,430 people, 22.1 percent of the population, are 55 or older. Most seniors continue to live in small, often isolated rural communities that frequently lack a police department, senior center, physician's office, or any of the other supports that seniors in larger towns and cities rely on.

The program started January 2000 when an attorney with a background in teaching and criminal prosecutions was hired. During the first twenty-two months of the program, she conducted 221 workshops at senior meal sites, assisted-living facilities, senior apartment complexes, college classes and civic groups. Over 3700 seniors and others attended these workshops and received prevention and educational brochures. Additional workshops were held for 12 business and civic clubs, reaching over 325 members of the business and professional communities. Workshops were also held for law enforcement personnel, college students, bankers and credit union officials. Several presentations were made to the media, through television and radio. To date, approximately 40,000 brochures have been distributed, most to seniors, their families and advocates.

In the past year it has become increasingly evident that the two primary ways that fraudulent telemarketers receive payment from victims is through wire transfers and withdrawals from victims' bank accounts. In a survey conducted by our office, fully 30% of the wire transfers of more than \$300 to Canada in a 10-month period were by victims of fraud. We have convened a multi-state working group of assistant attorneys general to explore ways to decrease the use of wire transfers to support fraudulent telemarketing.

Similarly, in the last year and a half we have seen an alarming increase in automatic debits from bank accounts for worthless goods or services or for unauthorized charges. We have just begun working with banks and banking regulators to understand the automated clearinghouse system and to formulate

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Telemarketing Fraud

proposed changes in rules or laws to decrease unauthorized debiting and to facilitate crediting of customers' accounts when unauthorized debits occur.

Strategies:

1. Investigate to the extent possible civil and criminal telemarketing fraud cases, and, where possible, prosecute them in Vermont state or federal courts.
2. Continue education and outreach activities, including community workshops, dissemination of educational videos to community access television stations, and individual victims.
3. Through negotiation and possible legislation or rulemaking, work to decrease the ease of payments to fraudulent telemarketers by wire transfers or automatic debiting of victims' bank accounts.

Performance Measures:

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
<i>Community Education--What/How Much We Do</i>				
1. # of seminars held	180	42	10	10
2. # of brochures distributed	25,000	5,000	3000	3000
3. # of videos distributed	0	40	50	25

Investigations--What/How Much We Do

1. # of cases opened	21	41	40	40
2. # businesses monitored	25	60	250	300
3. # contacts w/ Phonebusters	25	100	160	160
4. # ref's to Secret Service*	90	240	360	360
5. # ref's to local fed.author.	0	1	2	2

*Referrals to Secret Service are "Nigerian" scams that come primarily through the internet and are ignored by the recipient except for sending them on to the Attorney General's Office. They do not involve telemarketing unless the recipient responds. We have had a small number of actual victims of Nigerian scams, though they have suffered large monetary losses.

What Do We Propose To Do To Improve Performance?

1. Reconfigure staffing of project by keeping the investigator who has been on staff since December 2001, shifting civil legal work to current staff attorney in the consumer protection unit, hiring a community outreach trainer/victim's advocate, and not hiring a replacement criminal attorney until necessary to pursue criminal prosecutions.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Telemarketing Fraud

2. Continue investigations of telemarketing fraud complaints, report all investigations to Project Phonebusters (the premier data base for telemarketing fraud in Canada and the United States), refer cases as appropriate to federal authorities (U.S. Attorney's Office, FBI, U.S. Postal Inspection Service, U.S. Secret Service) and, where possible, prosecute in Vermont courts; close investigations as soon as evident case is not likely to result in civil or criminal prosecution.
3. Continue community education and education of individual victims, through a community outreach trainer/victim's advocate, rather than through the criminal investigator or an attorney.
4. Have civil attorney, through National Association of Attorneys General multi-state group, focus on negotiation, legislation and/or rulemaking, to address ease with which fraudulent telemarketers can receive payments by wire transfer or automatic debiting of victims' bank accounts.

FY04 Key Budget Issues:

The Telemarketing Fraud Program of the Attorney General's Office is solely dependant on federal dollars, except for the time spent on the program by an attorney in the consumer protection unit and for supervision. Although the federal grant funding the program is due to expire the first quarter of 2003, we have been informed that the program will be funded for another year through the first quarter of 2004, however continued federal funding after that date is uncertain.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Telemarketing Fraud

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	118,061	118,061	126,888
Operating Expenses	0	31,939	31,939	23,112
<hr/> TOTAL	<hr/> 0	<hr/> 150,000	<hr/> 150,000	<hr/> 150,000
FUND TYPE				
Federal Revenue Fund	0	150,000	150,000	150,000
<hr/> TOTAL	<hr/> 0	<hr/> 150,000	<hr/> 150,000	<hr/> 150,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Performance Program Information

Results:

As a cost saving, preventative measure, the governor has recommended a budget increase for diversion of \$100,000 to enable court diversion to return our successful completion rate to 85% and to successfully divert about 200 additional first offenders from the court system, SRS and Corrections supervision next year. This action will also reduce the future crime rate in Vermont since the recidivism rate among successful diversion clients is less than half that of first offenders who go through the regular court process.

Key Indicators:

Percent victims compensated FY	FY02	FY03(est.)	FY04(proj.)
% Compensated	85%	85%	90%

Percent cases successfully completed

FY	FY02	FY03(est.)	FY04(proj.)
% Successful	77%	76%	85%

Story Behind Baseline Performance:

Court Diversion is a locally formulated community justice program begun in the 1970's in Vermont to divert minor offenders out of the court system to a program staffed largely by volunteers. Its goals were to reduce the workload on Vermont courts and to use citizen involvement and a restorative model to make victims whole and to redirect young offenders in a more productive direction. It was so successful that enabling legislation was passed in 1981 making it a statewide option for juveniles. It was then extended to adult offenders in 1985. Since then, Diversion has operated in each county of the state.

We operate two programs using state appropriations; regular diversion and the Teen Alcohol Safety Program (TASP). We have about 26 full-time staff equivalents and 500 volunteers statewide. The cost in General Fund/Transportation Fund dollars to the state of Vermont last year for our services was \$137.80 per case.

From 1981 to 1997 the diversion program received about 2500 referrals a year from the court system. About 85% of them successfully completed the diversion contract given them by the volunteer boards that heard their cases. In 1998, the state of Vermont decided to enforce laws on underage drinking to respond to a high number of traffic deaths and injuries involving minors and a high percentage of minors who reported drinking regularly. Diversion was the preferred medium of response for this initiative and, when the burgeoning numbers of minor possession of alcohol cases began to overwhelm district court dockets in 1998 and 1999, diversion was chosen by the legislature as the designated response for all

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion

such first offenders. First count minor possession was made a civil offense and offenders were required to complete the Teen Alcohol Safety Program administered by court diversion.

This law has had three results. First, self-reported consumption of alcohol within 30 days by teens in Vermont has dropped from 50% in 1997 to about 43% in 2001 and deaths of minors in motor vehicle crashes have decreased by an even larger margin. Second, the number of cases handled by court diversion annually has increased from about 2400 in FY97 to 5757 cases in FY02. Third, there has been a 2% per year decrease in the percent of regular diversion clients who successfully complete the diversion program, from 85% in FY98 to 77% in FY02. This decrease represents about 190 additional cases per year being sent back to the court system for prosecution.

Research documents that the single most significant variable related to successful diversion completion is caseworker/client contact. Our state general fund support has increased 30% since 1998. Our workload has increased 140% (100% if adjusted for the fact that we have streamlined the process for handling civil ticket cases). The decrease in funding per case has reduced caseworker/client contact time and has led to the 2% per year decrease in successful diversion case completions.

Since our cost per case to the state is far less than either the cost of prosecuting a case in court or supervising a probation case by the department of corrections or by SRS, it will be cost effective to increase our budget by the \$100,000 recommended by the governor. It will also keep about 200 additional young offenders out of the court and corrections system each year.

Strategies:

1. We have made Teen Alcohol Safety Program cases administrative cases in many counties so that they do not meet the diversion board except for second offenses. This approach has saved enough time per case to permit us to keep up with the flow of cases although the successful completion rate is down.
2. Bringing staffing levels per case to the level they were at in FY 98 will help return the program to its previous level of success.

Performance Measures:

<i>What/How Much We Do</i>	FY 02	FY03(est.)	FY4(proj.)
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1. Clients served	5757	5700	5700
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<i>How Well We Do It</i>	FY 02	FY03(est.)	FY04(proj.)
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1. Percent successful cases	77%	76%	85%
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2. Percent of eligible victims receiving restitution	85%	85%	90%
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**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

<i>Is Anyone Better Off?</i>	FY02	FY03(est.)	FY04(proj.)
1. Number of diversion clients who succeed	1511	1520	1700
2. Number of TASP clients who succeed	1599	1585	1585
3. Number of victims compensated	387	390	436

How do we propose to improve performance?

1. Hire sufficient staff to reduce caseloads to 1998 levels over the next year.

FY 04 Key Budget Issues

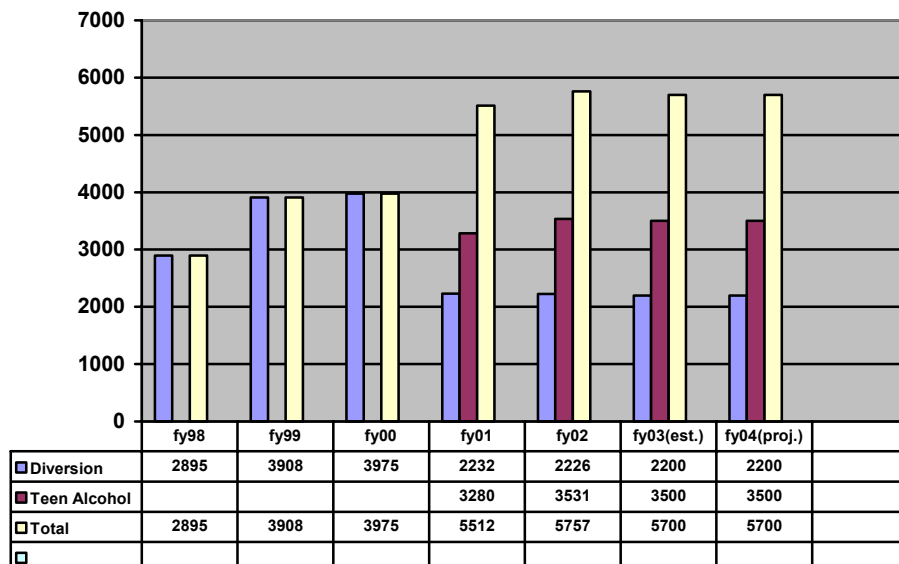
1. To cope with the projected FY 04 workload we will, at the least, need to return to staffing levels per case from the beginning of FY 98.
2. Due to the current state revenue situation, we are still unable to support a fully funded, independent diversion program in Grand Isle County in FY04.

FY 04 Budget

Governor's recommended budget is a \$100,000 increase in General and Transportation Fund appropriations for Court Diversion to bring staffing per case up to FY 98 level.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

Diversion Caseload FY98-FY04



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Court Diversion	0	1,107,741	1,104,555	1,134,041	1,234,041
<hr/> TOTAL	<hr/> 0	<hr/> 1,107,741	<hr/> 1,104,555	<hr/> 1,134,041	<hr/> 1,234,041
FUND TYPE					
General Fund		574,230	615,531	615,531	715,531
Transportation Fund		177,804	177,804	177,804	177,804
Special Fund		355,707	311,220	340,706	340,706
<hr/> TOTAL		<hr/> 1,107,741	<hr/> 1,104,555	<hr/> 1,134,041	<hr/> 1,234,041

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Court Diversion

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	1,107,741	1,104,555	1,134,041	1,234,041
<hr/> TOTAL	<hr/> 1,107,741	<hr/> 1,104,555	<hr/> 1,134,041	<hr/> 1,234,041
FUND TYPE				
General Fund	574,230	615,531	615,531	715,531
Transportation Fund	177,804	177,804	177,804	177,804
Special Fund	355,707	311,220	340,706	340,706
<hr/> TOTAL	<hr/> 1,107,741	<hr/> 1,104,555	<hr/> 1,134,041	<hr/> 1,234,041

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Department Mission Statement

The Center for Crime Victim Services, in conjunction with victims and those persons who interact with victims, seeks to implement, sustain and support a statewide system of services for victims that is victim-centered, comprehensive and just. By increasing the commitment of state government, the range and accessibility of services, the opportunity for victims to participate at all critical stages in the criminal justice process, the coordination and networking of agencies and organizations providing assistance to victims, the pool of grant funds available for victim services, and the amount of financial compensation available for losses incurred as a result of criminal victimization, the Center works to reduce the financial, emotional and physical consequences of victimization and the level of re-victimization of the survivor by the criminal justice system.

Description of Appropriations, Divisions, & Programs

The Center for Crime Victim Services is mandated by statute to administer the Victim Compensation and Victim Assistance Programs. In addition, the Center has been charged with the administration of several state and federal grant programs whose funds are intended to expand the provision of services to victims of crime.

The Victim Compensation Program provides limited financial assistance to victims who have experienced a financial loss as a direct result of a crime. In general, compensation is not provided for property losses, and, as designated "last payor," the program reimburses only those expenses not covered by some form of insurance or restitution ordered of the offender. Staff members verify claims through a comprehensive investigative process and approved payments are made either to service providers or directly to the victim. Over the past five years the number of claims received annually has steadily risen from approximately 450 to nearly 600. The complexity of the claims has also increased, with payments for services such as relocation, out-of-state travel and temporary living expenses for victims fleeing domestic violence situations being far more common than they were ten years ago when the program was first established. In FY 2004 HIV testing services will be available for sexual assault victims, and so, the budget has been increased to \$610,000, including \$35,000 for payment of these claims.

The Victim Assistance Program maintains 23 full-time equivalent advocates in the State's Attorney's Offices throughout the fourteen counties of Vermont to assist victims through the criminal justice process and to act as liaison with the State's Attorneys and other criminal justice agencies. Victims of crime in Vermont are entitled to certain basic rights, which include the right to be informed, to be present, and to be heard at all critical stages of the criminal justice process. Victim advocates ensure that the over 13,000 new victims of crime each year are provided every opportunity to participate in this system. Beginning at arraignment and continuing throughout the trial, advocates provide victims with information about the court process and how it might affect them. Advocates keep regular contact to explain developments in the cases and encourage victims to submit Victim Impact Statements. Often

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

cases last more than a single year and advocates maintain contact with victims during post-conviction proceedings, expanding their true caseloads far beyond the number of new victims served each year.

The sheer volume of new cases added to court dockets each year (over 22,000 in 2000) hampers the ability of advocates to provide all statutory services to all eligible victims. However, all those in serious need do receive comprehensive services. Most victims in the over 3,000 felony cases, along with many of the victims of misdemeanors such as assault and domestic assault, receive advocacy and support services. A full-time coordinator position on the Center's staff is charged with providing the supervision and technical assistance necessary to ensure that the advocates continue to perform their duties effectively. Advocate positions have recently been reclassified two paygrades higher. Therefore, in FY 2004 the Center budgets \$910,000 (a \$55,000 increase from FY 2003) for advocate salaries.

Grant Program dollars for provision of services to crime victims, awarded by various funding sources, are consolidated at the Center for Crime Victim Services for administrative purposes. This enables Vermont to take a more comprehensive approach to allocating funds geographically, demographically, and across program purposes, ensuring that underserved populations are not overlooked. Staff at the Center monitor all grant recipients for compliance with state and federal guidelines and evaluate their activities to assess their effectiveness. The Center provides technical assistance to non-profit victim service agencies in developing strategies for seeking additional funding opportunities, and staff members provide training to new personnel at non-profit agencies on grant reporting requirements in order to reduce the amount of time grant recipients must spend away from their primary purpose of providing direct service to victims. Under a Victim Service 2000 demonstration grant, five members of the Center staff work to design an integrated system of victim services for a rural area that could be replicated at other sites across the nation.

VOCA (Victims of Crime Act) funds provide "core" services to victims of domestic violence and child sexual abuse, to elderly victims and to the families of homicide members. Advocates at the Attorney General's Office, OUR House of Central VT, the Family Place of Norwich, SafeSpace of Burlington, the VT Center for the Deaf & Hard of Hearing, and the sixteen member programs of the VT Network Against Domestic Violence and Sexual Assault provide these services. In FY 2004 \$683,500 is budgeted.

STOP Violence Against Women Formula Grant funds support multi-disciplinary domestic violence prosecution units in numerous counties across the state, whose work is to ensure the timely disposition of sexual assault and domestic violence cases while reducing the trauma experienced by victims. In FY 2004 \$775,500 is budgeted for these units.

FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents, and also fund public awareness activities related to domestic violence. In FY 2004 \$725,000 is budgeted.

State Domestic Violence and Sexual Assault Funds, the Center's General Fund Appropriation, are passed through to the programs of the Vermont Network Against Domestic Violence and Sexual Assault

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

to enable them to provide direct service to victims of domestic and sexual violence. In FY 2004 \$728,724 is budgeted.

Rural Domestic Violence and Child Victimization Grant funds are aimed at reducing obstacles preventing battered women and their children in isolated rural areas from accessing needed services. In FY 2004 \$386,200 is budgeted.

Grants to Encourage Arrest Policies Program dollars are used to keep domestic violence victims safer and hold batterers more accountable by funding law enforcement and court-based technology systems, Intensive Domestic Abuse Programs at the Department of Corrections, and legal representatives for victims in family court matters. In FY 2004 \$325,000 is budgeted.

A new grant, Trainings on Abuse & Sexual Assault of Elders and People with Disabilities, was awarded to the Center recently to will help expand services to underserved populations. In FY 2004 \$78,160 is budgeted.

Appropriation Key Budget Issues

Certainly, the key budget question for FY 2004 is whether or not the Center will be able to provide sufficient funding to support services at their current levels.

As of January 1, 2003 Congress has not passed any of the Federal Fiscal Year 2003 appropriations bills. These are the bills that will determine the levels of grant funding available to the Center for State Fiscal Year 2004. The President's budget request, if adapted as law, would cause cuts of 10 to 15% to some grant programs. Still others, like the Byrne Grant Program, may disappear in their entirety if rolled into larger anti-terrorism spending plans.

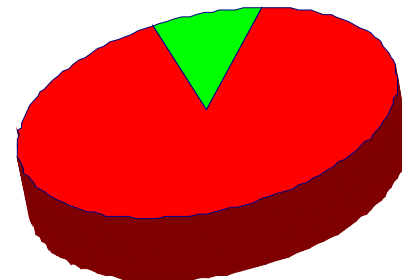
A bright spot in the Center's budget outlook comes secondhand via increased funding for the Governor's Highway Safety Program at the Department of Public Safety. An increase in the number of traffic tickets issued has unexpectedly added to the total of \$13.50 surcharges being deposited to the Crime Victims Special Fund by the Judicial Bureau. It is hoped that these funds will be sufficient to cover the gaps that might develop from any federal funding reductions.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Center for Crime Victims' Services	0	6,090,538	5,229,576	5,251,736	5,718,938
Victim Compensation	0	0	575,000	575,000	610,000
TOTAL	0	6,090,538	5,804,576	5,826,736	6,328,938
FUND TYPE					
General Fund		738,519	728,724	728,724	728,828
Special Fund		1,597,293	1,125,501	1,147,661	1,180,767
Federal Revenue Fund		3,754,726	3,910,351	3,910,351	4,356,843
Interdepartmental Transfer		0	40,000	40,000	62,500
TOTAL		6,090,538	5,804,576	5,826,736	6,328,938

■	Center for Crime Victims' Services (90.36%)
■	Victim Compensation (9.64%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	650,162	763,250	763,250	842,250
Operating Expenses	192,654	200,559	200,559	264,604
Grants	5,247,722	4,265,767	4,287,927	4,612,084
<hr/> TOTAL	<hr/> 6,090,538	<hr/> 5,229,576	<hr/> 5,251,736	<hr/> 5,718,938
FUND TYPE				
General Fund	738,519	728,724	728,724	728,828
Special Fund	1,597,293	720,501	742,661	760,767
Federal Revenue Fund	3,754,726	3,740,351	3,740,351	4,166,843
Interdepartmental Transfer	0	40,000	40,000	62,500
<hr/> TOTAL	<hr/> 6,090,538	<hr/> 5,229,576	<hr/> 5,251,736	<hr/> 5,718,938

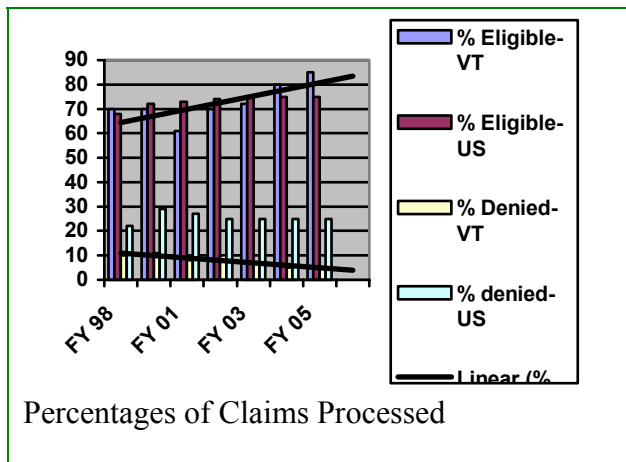
**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Victim Compensation**

Performance Program Information

Results

The Victim Compensation Program seeks to fairly compensate for their losses the maximum number of crime victims eligible for benefits, while, at the same time, minimizing the number of ineligible applicants compelled to go through a comprehensive investigation process only to have their claim denied.

Key Indicators



Through increased trainings Vermont's Victim Compensation Program will attempt to increase the percentage of claims eligible for reimbursement to the point where it exceeds the national average of 75% while further reducing its already low denial rate to 5%.

Story Behind the Baseline

Victim Compensation provides limited financial assistance to victims who have experienced a financial loss as a direct result of a crime. By statute, eligibility is determined through the following requirements: the crime must have been committed in Vermont, and it must be reported to a law enforcement official who files a report concluding that a crime has occurred. The Victim Compensation Board, consisting of five members appointed by the Governor, establishes policy and guidelines as to what types of expenses will be reimbursed. Currently, mental health, medical, funeral, lost wages, crime scene cleanup and relocation expenses are reimbursed. Compensation is not provided for property losses, which are often expensive and ineligible for reimbursement from federal grant sources.

Law enforcement officials and victim advocates at State's Attorney's Offices are the primary sources of information for victims regarding filing a claim for compensation. Though the guidelines and policies

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Victim Compensation

are available to them in written form, they sometimes error in their determinations as to whether a victim has an eligible claim. They neglect to assist some in filing a claim at all, while assisting others who are ineligible for benefits with submitting an application that in the end will only be denied--a process that can re-victimize a survivor in an already fragile emotional state.

Strategy

While in recent years the number of claims received annually has steadily risen to nearly 600, the percentage of claims denied has remained between 8 and 11%. The **result** the Center hopes to achieve is a decrease in this percentage to below 5%. The **strategy** to accomplish this goal in the **near term** is for Compensation Program staff to provide individualized training to each new court-based advocate upon hire, to provide yearly refreshers (in person) on current regulations to all state police and victim advocates, and to provide written refreshers annually to all county and local law enforcement agencies. The number of trainings and participants are being tracked, and results for the first five months of FY 2003 appear positive.

For the **long term**, the Compensation Board has charged the Center staff with servicing an even greater percentage of the state's crime victims. One **strategy**, used successfully in Canada, places victim advocates in local police departments, making them a part of a first response team that works with victims long before the State's Attorney's Office is involved. A project of this nature is currently being piloted in the Northeast Kingdom and, if it proves effective, will be replicated throughout the state.

Another **strategy**, funded in part by Byrne Grant monies from the Department of Public Safety, makes HIV testing services available to victims of sexual assault.

Performance Measures:

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
1) % of advocates trained	40	50	75	80
2) % of claims denied	8	8	7	6
3) % of ordered restitution collected	15	20	25	30
4) % of complaints on advocate client satisfaction surveys relating to claims denial	40	35	30	25

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Victim Compensation**

What Do We Propose To Do To Improve Performance?

1. Provide trainers at all quarterly meetings of State's Attorneys Victim Advocates.
2. Provide trainers at Vermont Police Academy's yearly cycle trainings for all State Police Officers.
3. Arrange for Victim Compensation staff to meet with all newly hired advocates to provide in-depth explanation of program rules and regulations.
4. Link staff with Court's database to better track all restitution ordered to be paid to the Victim Compensation Fund.
5. Distribute program guidelines annually to all county and local law enforcement agencies.

FY04 Key Budget Issues:

In FY04 \$35,000 is in the budget for this program to allow for the processing of HIV testing service claims for victims of sexual assault.

FY04 Budget

\$610,000 has been budgeted to pay compensation claims in FY04; \$420,000 from state Special Funds and \$190,000 from Federal Funds.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Victim Compensation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	575,000	575,000	610,000
<hr/> TOTAL	<hr/> 0	<hr/> 575,000	<hr/> 575,000	<hr/> 610,000
FUND TYPE				
Special Fund	0	405,000	405,000	420,000
Federal Revenue Fund	0	170,000	170,000	190,000
<hr/> TOTAL	<hr/> 0	<hr/> 575,000	<hr/> 575,000	<hr/> 610,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State's Attorneys

Department Mission Statement

The Department of State's Attorneys has one program as its focus -- the prosecution of crime. The Department has 121 positions, including 14 independently-elected State's Attorneys. The Department is organized by county, with a small central office located in Montpelier. Each of the Department's 121 positions support the prosecution program, to include associated civil matters handled by the Department. The Department works collaboratively with uniformed law enforcement and victims to translate criminal actions into firm and effective criminal punishments. The Department undertakes each day to further the straightforward notion that crime matters and should have commensurate consequences.

Appropriation Key Budget Issues

There are two key budget issues in FY2004 for the Department of State's Attorneys. The first is continued funding to retain and advance the Department's team of prosecutors and support staff. The second is adequate funding to conduct trials and trial-related costs.

Staff Funding. The Department has one program as its focus -- the prosecution of crime. This broad responsibility begins at the earliest stages of an investigation and continues beyond conviction. Because facts and circumstances differ from case to case, two instances of the same offense can give rise to different evidentiary and other legal issues (e.g. defenses and associated motions, the need for experts and other trial services, etc.). Accordingly, a true snapshot of the Department's work must take into account both quantitative measures and qualitative variables.

The Department has continued to effectively and efficiently discharge its duties. Its success in doing so is the result of experienced and bright attorneys and support staff. Experience is what has allowed the Department to handle its workload without needed additional staff. Absent such experience, the Department would require additional attorney and support positions just to credibly stand up to its workload. In that circumstance, even with additional positions, the Department's effectiveness in translating criminal acts into commensurate convictions would suffer.

The Department's personal service expense (to include expert witness trial costs described below) is the driving component of the Department's budget. The Department's long-approved Attorney Pay Plan values experience and has been overall successful in retaining seasoned attorneys. The cost for such success is year-to-year increased attorney position costs to reflect the Plan's commitment to experienced attorney advancement.

During FY2003, the Department of Personnel reclassified the Department's 21 Victim Advocate positions from PG 19 to PG 22. The new classification more accurately captures the level of duties and skills required of an effective Victim Advocate.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State's Attorneys

Trial Costs. As mentioned above, cases vary greatly in complexity. The cost to put on an effective trial varies accordingly. In recent years, the Department has implemented procedures to strictly discipline its use of expert witnesses, but expert witness costs remain and will unavoidably continue. Experts vary in substantive area of expertise and include mental health professionals, health professionals and others. The Department's year-to-year trial expenses can easily spike depending on that year's trials. The Department's FY04 budget request simply seeks continued funding based upon the Department's recent trial cost experience.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State's Attorneys

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
State's Attorneys	119	7,312,593	7,719,790	8,097,105	8,094,125
<u>TOTAL</u>	<u>119</u>	<u>7,312,593</u>	<u>7,719,790</u>	<u>8,097,105</u>	<u>8,094,125</u>
FUND TYPE					
General Fund		5,431,075	5,768,721	6,072,970	6,089,290
Transportation Fund		371,496	447,230	527,538	456,076
Special Fund		71,214	43,500	25,400	0
Federal Revenue Fund		49,520	5,000	1,000	5,000
Interdepartmental Transfer		1,389,288	1,455,339	1,470,197	1,543,759
<u>TOTAL</u>		<u>7,312,593</u>	<u>7,719,790</u>	<u>8,097,105</u>	<u>8,094,125</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State's Attorneys

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	6,705,531	6,746,326	7,161,109	7,067,041
Operating Expenses	593,794	973,464	935,996	1,027,084
Grants	13,268	0	0	0
TOTAL	7,312,593	7,719,790	8,097,105	8,094,125
FUND TYPE				
General Fund	5,431,075	5,768,721	6,072,970	6,089,290
Transportation Fund	371,496	447,230	527,538	456,076
Special Fund	71,214	43,500	25,400	0
Federal Revenue Fund	49,520	5,000	1,000	5,000
Interdepartmental Transfer	1,389,288	1,455,339	1,470,197	1,543,759
TOTAL	7,312,593	7,719,790	8,097,105	8,094,125

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sheriffs**

Department Mission Statement

The fourteen Vermont Sheriffs' Departments exist to provide law enforcement and security services to their county constituents, other citizens of and visitors to the State, and for state and local government. In addition to these traditional law enforcement duties 24 V.S.A. § 293 gives the County Sheriffs responsibility for the service of process (both civil and criminal) and 24 V.S.A. § 296 gives the County Sheriffs responsibility for the transportation of prisoners and persons who are mentally ill.

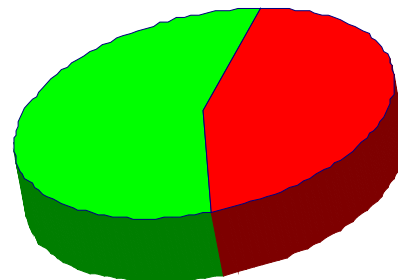
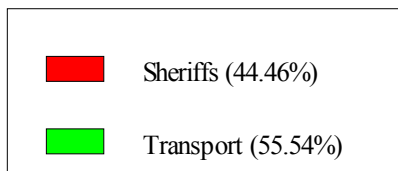
Appropriation Key Budget Issues

The Sheriffs' Department is comprised of the fourteen county Sheriffs, twenty-three State-paid Deputy Sheriffs, and one administrative secretary. The Department's budget is 90.2% Personal Services and 9.8% Operating Expenses. The Sheriffs are mandated by 24 V.S.A. § 296 to transport prisoners and persons who are mentally ill. The State-paid Deputy Sheriffs are primarily responsible to fulfill this mandate.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sheriffs**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Sheriffs	15	2,554,926	1,112,482	1,155,621	1,195,805
Transport	23	0	1,396,821	1,601,176	1,493,775
<hr/> TOTAL	<hr/> 38	<hr/> 2,554,926	<hr/> 2,509,303	<hr/> 2,756,797	<hr/> 2,689,580
FUND TYPE					
General Fund		1,886,189	1,825,228	2,045,128	1,985,368
Transportation Fund		668,737	684,075	711,669	704,212
<hr/> TOTAL		<hr/> 2,554,926	<hr/> 2,509,303	<hr/> 2,756,797	<hr/> 2,689,580



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Sheriffs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,292,835	1,075,541	1,091,086	1,129,834
Operating Expenses	262,091	36,941	64,535	65,971
<hr/> TOTAL	<hr/> 2,554,926	<hr/> 1,112,482	<hr/> 1,155,621	<hr/> 1,195,805
FUND TYPE				
General Fund	1,886,189	1,075,541	1,091,086	1,130,298
Transportation Fund	668,737	36,941	64,535	65,507
<hr/> TOTAL	<hr/> 2,554,926	<hr/> 1,112,482	<hr/> 1,155,621	<hr/> 1,195,805

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transport

Performance Program Information

I. Relevant Statute:

24 V.S.A. § 296. Transportation of prisoners and mental patients

All commitments to a state correctional facility or state mental institution or to any other place named by the commissioner of corrections, commissioner of developmental and mental health services or committing court, shall be made by any sheriff, deputy sheriff, state police officer, police officer, or constable in the state, or the commissioner of corrections or his authorized agent. (Amended 1967, No. 345 (Adj. Sess.), § 18, eff. April 1, 1969; 1969, No. 33, § 3, eff. April 1, 1969; 1989, No. 187 (Adj. Sess.), § 5; 1995, No. 174 (Adj. Sess.), § 3.)

Vermont Rules of Criminal Procedure 43

(a) Presence Required. The defendant shall be present at the arraignment, at any subsequent time at which a plea is offered, at every stage of the trial including the impaneling of the jury and the return of the verdict, and at the imposition of sentence, except as otherwise provided by this rule.

II. Program Description.

The Sheriffs' Department has a total of 38 State positions, consisting of 14 Sheriffs, 23 Deputy Sheriffs, and 1 administrative support position. Except for the addition of 6 Deputy Sheriff positions in FY2001, the Departments are unchanged since 1974 -- notwithstanding the tremendous growth in both correctional facilities and prisoners (including detained defendants) awaiting trial.

To the extent possible, transports are performed by the 23 State-paid Deputy Sheriffs. If a State-paid Deputy is not available for a transport (e.g. the State-paid Deputy is performing another transport), a Sheriff utilizes a qualified non-State paid Deputy to perform the transport. In terms of the Prisoner Transport Program, such non-State-paid Deputy Sheriffs are referred to as Per Diem Deputies.

Both the 23 State-paid Deputy Sheriffs and the Per Diem Deputies transport prisoners to and from correctional facilities and transport mental health and juvenile clients to and from court. In terms of performance, the transport program is straightforward -- transporting prisoners in a secure, timely, and efficient manner from a facility to court and back to the facility without complication. Public safety, as well as the safety of Deputies and prisoners, demands that transports are performed by trained Deputies.

The Prisoner Transport Program remains the greatest cost pressure on the Sheriffs' Department. The cost of transports falls completely on the Department, while the demand and circumstances surrounding transports are beyond the Department's control. For example, the effective and efficient handling of transports requires, whenever possible, adequate advance notice of a court proceeding. An additional day or two of notice makes a tremendous difference in terms of cost-effectiveness. Absent such notice, cost effectiveness is greatly undermined. Similarly, the Department has no control over the duration of a

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transport

prisoner's actual court hearing or the time a prisoner waits once at the court before his or her hearing commences. A transport commences when a prisoner is collected and ends only when the prisoner is returned to a facility and the Deputy returns to his or her work location. If a court falls behind schedule, or if a court follows a curtain-call calendar (i.e. several proceedings given the same time to appear), transport costs go up – to say nothing about the damage done to a Deputy's transport schedule.

Concerned about the State's ability to pay for transports, and in recognition of the fact that the transportation of prisoners is a program that goes beyond the Department, the Legislature, as part of the FY2003 Appropriations Bill (section 67), directed the Department, the Court Administrator, the Defender General, and the Department of Corrections to work to reduce the number of unnecessary transports to court hearings.

III. Program Status and Data

FY2003 Budget Adjustment. The Department has requested an additional Transport appropriation of \$130,000 to fund the Transport program through June 30, 2003. Current funding, based upon FY03 YTD (January 2003) expenditures, will be exhausted on or before April 1, 2003.

Performance Measures

A.) Number of Prisoners Transported

FY2000	8453
FY2001	8602
FY2002	9777
FY2003 (EST)	11300

B.) Prisoners per Transport

FY2000	2.12
FY2001	2.16
FY2002	2.39
FY2003 (EST)	2.67

C.) Attempted Escapes

FY2003 (EST)	2
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D.) Injuries related to transports

FY2003 (EST)	3
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E.) Court Hours/Transport

FY2000	2.18
FY2001	2.23
FY2002	2.11
FY2003 (EST)	2.06

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transport

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	1,196,821	1,361,176	1,246,020
Operating Expenses	0	200,000	240,000	247,755
<hr/> TOTAL	<hr/> 0	<hr/> 1,396,821	<hr/> 1,601,176	<hr/> 1,493,775
FUND TYPE				
General Fund	0	749,687	954,042	855,070
Transportation Fund	0	647,134	647,134	638,705
<hr/> TOTAL	<hr/> 0	<hr/> 1,396,821	<hr/> 1,601,176	<hr/> 1,493,775

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Defender General**

Department Mission Statement

The over-arching duty of the Office of Defender General remains the assurance that persons entitled to appointed counsel receive effective legal advocacy. The Office of Defender General has an obligation to provide adequate representation to needy individuals in a cost efficient manner, thereby serving not only its clients, but all citizens of the State of Vermont. The provision of representation with reasonable diligence and promptness, a commitment and dedication to the interests of the client, and with zeal in advocacy and on behalf of those charged with serious crime is a necessary component to the fair administration of the criminal justice system. In order for our adversarial judicial process to function effectively, both the state and the individual defendant must receive both ardent and competent advocacy; and the Court must have adequate resources to provide access to justice. This balance is a necessary ingredient to a just result.

Description of Appropriations, Divisions, & Programs

The Office of the Defender General (ODG) has evolved into a complex service delivery system consisting of two separate programs, Public Defense and Assigned Counsel. There are three tiers of service provision, with the first being the local public defense staff offices. When there are conflicts with public defense, the case is then assigned to a local assigned counsel contractor. And when there are conflicts with both the public defenders and the assigned counsel contractors, the court assigns an attorney on an ad hoc basis. Additionally, in 2001 - 2002 the ODG implemented three Serious Felony Units to cost effectively handle life in prison and other serious felony cases where conflicts exist.

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices, and five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. Additionally two attorneys have small contracts in Addison and Caledonia/Essex Counties to provide representation to parties in juvenile proceedings. The contract public defenders provide substantial savings to the state over a staff office with salary, benefit and operating costs.

Post-Adjudication Offices

There are also three offices which handle matters post adjudication. The Appellate Defender handles appeals to the Supreme Court. The Prisoners' Rights Office represents persons in the custody of the Commissioner of Corrections with the same staffing level that it had in the 1970's. The Juvenile Defender's Office represents juveniles in state custody, and, at times, the parents of juveniles in state custody.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Defender General

Assigned Counsel

The Defender General contracts with a part-time Assigned Counsel Coordinator to oversee the daily operations of the assigned counsel program.

Assigned Counsel Contractors

The Assigned Counsel Contractors are private attorneys who contract with the Defender General to provide services in criminal and juvenile cases when there are conflicts with the public defenders. The objective is to assure that in most counties there are at least two contractors to take conflict cases. There are presently 59 separate contracts for assigned counsel services, including 2 attorneys who handle appeals. For FY 2003 the ODG modified assigned counsel contracts to eliminate adjustments for increases in caseload. Contract payments were based upon the actual prior fiscal year's reported caseload. The advantage to this approach from a budgeting perspective is that contract costs will be predictable. Fairness to contractors under this approach is achieved because payment is based upon the prior year's actual caseload. Assigned Counsel Contractors are paid approximately \$25.00 to \$30.00 per hour with no support services or overhead expenses being paid.

Ad Hoc Counsel

Services provided by ad hoc counsel represent approximately 2-3% of the caseload. However, it is the most expensive means of service, with an hourly rate of \$50; and although the ad hoc caseload is approximately 2-3% of the total caseload assigned to public defense and assigned counsel, ad hoc costs are approximately 7% of total expenditures. Given that the courts make the assignments, and the ODG does not know how much will be billed on any given ad hoc case until the bill has been submitted, it is the most fiscally unpredictable. Over the years numerous attempts have been made to contain the costs of ad hoc counsel, including reducing the caseload as much as possible by carefully analyzing alleged conflicts, providing more contract counsel, and in FY 2002 by the implementation of the serious crimes units. Recent efforts at expanding the contract system and implementation of the Serious Felony Units have yielded a 33% reduction in ad hoc debentures. This program is the one we have identified to submit in the performance based budgeting format.

Serious Felony Units

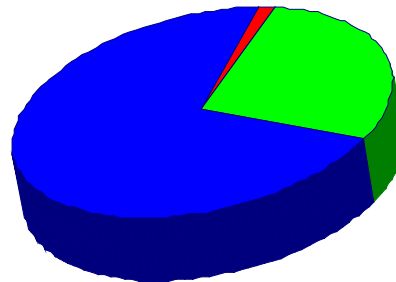
The Legislature in 2001 authorized the creation of three Serious Felony Units (SFU) designed to provide representation in cases involving potential life term imprisonment and major felonies which would have ordinarily been assigned to an assigned counsel contractor or ad hoc counsel. In FY 2002 the ODG implemented all three SFU's as contracts. By implementing the SFU's as contracts rather than staff positions the ODG realized first year savings of \$112,000, and will continue to yield savings of \$90,000 per year over staff offices. Further the ODG exercised its power under 13 V.S.A. Section 5574 to transfer existing serious felony cases into the SFU's to immediately realize cost savings. The implementation of the SFU's in the manner described realized total savings of \$120,000 in the first year, and they are projected to realize savings of up to approximately \$170,000 per year. Further, these units provide stability and quality representation to clients charged with the most serious crimes.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Public Defense	58	5,106,449	5,254,822	5,376,082	5,429,042
Assigned Counsel	8	2,354,581	2,140,295	2,143,986	2,144,600
Ad Hoc Counsel	0	0	127,403	302,403	127,403
TOTAL	66	7,461,030	7,522,520	7,822,471	7,701,045
FUND TYPE					
General Fund		6,188,307	6,240,661	6,342,038	6,382,704
Transportation Fund		890,637	890,068	900,804	907,025
Special Fund		338,039	346,791	527,915	366,316
Federal Revenue Fund		13,207	0	4,714	0
Interdepartmental Transfer		30,840	45,000	47,000	45,000
TOTAL		7,461,030	7,522,520	7,822,471	7,701,045

■	Ad Hoc Counsel (1.65%)
■	Assigned Counsel (27.85%)
■	Public Defense (70.5%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Defense

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2004 is for level funding, after rescission, of FY 2003. This level of funding results in the continued imposition of cost containment measures implemented in FY 2002. Increased caseload in FY 2003 and predicted for FY 2004 may necessitate further containment measures.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Defense

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	4,778,542	4,747,860	4,869,120	4,906,827
Operating Expenses	411,883	506,962	506,962	522,215
Grants	(83,976)	0	0	0
TOTAL	5,106,449	5,254,822	5,376,082	5,429,042
FUND TYPE				
General Fund	4,093,731	4,232,973	4,330,883	4,371,230
Transportation Fund	630,632	630,058	640,570	646,496
Special Fund	338,039	346,791	352,915	366,316
Federal Revenue Fund	13,207	0	4,714	0
Interdepartmental Transfer	30,840	45,000	47,000	45,000
TOTAL	5,106,449	5,254,822	5,376,082	5,429,042

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Assigned Counsel**

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2004 is FY 2003 post-rescission level funding. This level of funding results in the continued imposition of cost containment measures implemented in FY 2002 and FY 2003.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,300,678	2,093,790	2,109,481	2,110,095
Operating Expenses	53,903	46,505	34,505	34,505
<hr/> TOTAL	<hr/> 2,354,581	<hr/> 2,140,295	<hr/> 2,143,986	<hr/> 2,144,600
FUND TYPE				
General Fund	2,094,576	1,880,285	1,883,752	1,884,071
Transportation Fund	260,005	260,010	260,234	260,529
<hr/> TOTAL	<hr/> 2,354,581	<hr/> 2,140,295	<hr/> 2,143,986	<hr/> 2,144,600

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Ad Hoc Counsel

Performance Program Information

Results:

The purpose of the Ad Hoc Program of the Office of the Defender General is to provide competent representation to persons entitled to appointed counsel when there are conflicts of interest with both the local public defender office and assigned counsel contractors.

Key Indicators:

Number of cases assigned to this tier of representation.

Comparative cost per case.

Client satisfaction with outcome received.

Story Behind Baseline Performance:

The ad hoc program is the third tier of representation provided by the Office of the Defender General. The first tier is the local public defender offices; the second tier is the assigned counsel contractor system which accepts assignments when there are conflicts with the local public defender's office. Cases are only assigned to ad hoc counsel when there are conflicts with the first two tiers of service provision. There is little or no check on the quality of ad hoc counsel.

Strategies:

- Reduce reliance on ad hoc program.
- Increase reliance on more cost effective methods of providing public defense services.
- Eliminate frivolous ad hoc representation.
- Adhere to firm payment guidelines set forth in Administrative Order 4.

Performance Measures:

What/How Much We Do?

The efforts we have made to reduce the reliance on ad hoc counsel has resulted in a decrease in number of cases being assigned to ad hoc counsel and amount of debentures received. Additionally, the efforts we have made to contain the costs of individual ad hoc cases has resulted in a decrease in cost per ad hoc case.

<u>Added Ad Hoc Cases</u>		FY 1999 - 2002			
		FY 99	FY2000	FY2001	FY2002
Charges		1062	1047	1015	1005
Clients		573	634	604	578
1 st Qtr FY 2002		1 st Qtr FY 2003		% Diff.	
Charges	402	286		-28.8%	
Clients	228	153		-32.8%	

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Ad Hoc Counsel

Debentures Received

FY 99	FY 2000	FY 2001	FY 2002
\$458,394	\$519,832	\$560,647	\$548,101

Note: Debentures in FY 1999 and some in FY 2000 were at lower \$40 rate

1 st Qtr FY 2002	1 st Qtr FY 2003	% Diff.
\$161,219	\$106,609	-33.8%

Cost per disposed case

	FY 2002 ¼	FY 2003 ¼	%Difference
Charge	\$ 632.23	\$589.00	-6.8%
Client	\$1,053.72	\$935.17	-11.2%

How Well We Do It?

The ad hoc program is the most fiscally unpredictable and costly method of providing public defense services, with little or no check on the quality of representation provided.

What Do We Propose To Do To Improve Performance?

- Expand the assigned counsel contract program.
- Implement the Serious Felony Units.
- Impose firm caps consistent with A.O.
- Enforce strict standards for identifying conflicts.
- Refuse payment of assignments for frivolous post conviction relief matters.

FY 04 Key Budget Issues:

Given the historical experience with ad hoc caseloads and funding as well as the state's funding pressures, even the austerity measures outlined here may not be enough to keep spending down.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Ad Hoc Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	127,403	302,403	127,403
TOTAL	0	127,403	302,403	127,403
FUND TYPE				
General Fund	0	127,403	127,403	127,403
Special Fund	0	0	175,000	0
TOTAL	0	127,403	302,403	127,403

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Military

Department Mission Statement

The State of Vermont Military Department, administered by the Adjutant General, includes the Vermont Army and Air National Guard, and serves as a state military force available to the Governor in the event of statewide emergency beyond the capability of civil authority. As a federal force, the Vermont National Guard is an immediate reserve for both the US Army and US Air Force, with the purpose of providing trained units and qualified personnel available for active duty in the armed forces in time of war or national emergency, and at other times as may be required for national security. The Military Department commands or supports the National Guard as mandated by state and federal constitutions. Under the Adjutant General, the Military Department provides support to Vermont Veterans, as required by Vermont Law.

State funds account for approximately 3% of the combined state and federal budget the military Department expends to maintain facilities for administration, training and storage requirements of the Vermont National Guard in the accomplishment of its missions.

Description of Appropriations, Divisions, & Programs

The market of the Military Department is, quite literally, the entire population of the State of Vermont. In our role as a state military force prepared to respond at the call of the Governor, we have provided relief services to the citizens of the state on numerous occasions. This support ranges from providing water storage units in time of drought, to road repair and evacuation in time of flood and other natural disasters. FY 02 has seen the Military Department tasked with providing support to the Vermont Army and Air National Guard in their participation in Operation Noble Eagle. This support includes maintenance support for our armories throughout the State, assisting with implementing additional security measures as required at Camp Johnson, and providing facilities for the feeding and housing of soldiers called to duty for homeland security missions. This has not been without cost, as our armories have of necessity not been available to the many youth and community groups that use these facilities throughout the State, due to heightened levels of security implemented nationally and here in Vermont. Additionally, the Military Department serves the needs of more than 70,000 Vermont Veterans. A major part of our service to Veterans is maintenance of the Vermont Veteran's Memorial Cemetery in Randolph. Supervision of this cemetery is provided through the Veterans' Affairs Office in Montpelier. Our Veterans' Affairs Office also maintains records of all Vermont Veterans, coordinates requests for funeral services for deceased veterans, tracks and verifies claims for bonus payments and disability claims, and handles other miscellaneous requests for information. The office has coordinated 82 burials at the Vermont Veterans' Memorial Cemetery in Randolph in 2002.

Military support to Vermont communities providing color guards for parades and other formal

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Military

ceremonies, as well as providing honor guards for funeral services throughout the state. In 2002, the Army and Air National Guard has provided 320 military funeral details for Vermont's deceased Veterans. This number is expected to continue to rise for the foreseeable future. We have also sponsored Operation Bullseye, to aid hunters in safely preparing for annual hunting season; supported numerous food drives throughout Vermont; provided helicopter orientation flights for Jr. ROTC students from Barre and Essex; coordination with state and local law enforcement agencies for drug demand reduction; coordination of the Excess Government Equipment Program, which allows local enforcement agencies to receive Government equipment at no cost.

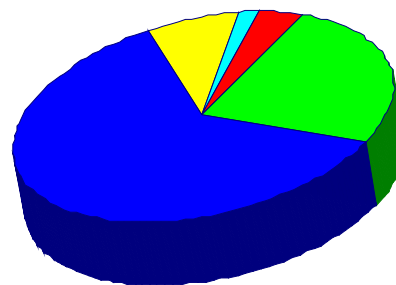
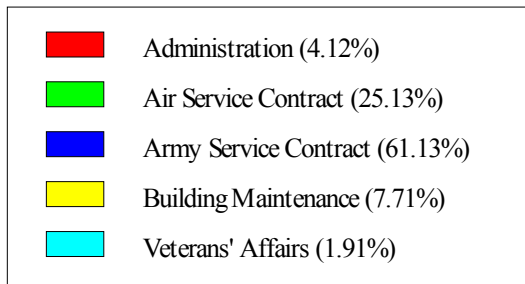
Since FY 1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with hands-on curriculum of science, math, and technology. Over 6,000 students have been served by the program. Students attend a five-day session held at the Vermont Air National Guard Base in South Burlington and a second site opened in Rutland in March 2002. The Starbase staff consists of a Director, Deputy Director, Program Coordinator, and Information Specialist in South Burlington and Rutland sites. All positions are state employees whose compensation and benefits package is federally reimbursed.

The Military Department also provides crash, fire and rescue services to the Burlington International Airport. The Vermont Air Guard Fire Department is the first-responder for all crash, fire and rescue needs at the airport, as well as assisting with back-up to other departments in Chittenden County. The Burlington Airport Commission has estimated that this service results in an annual cost-saving to taxpayers of \$500,000.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	7	667,573	859,538	871,592	712,417
Air Service Contract	57	3,518,092	4,080,750	4,165,562	4,343,401
Army Service Contract	27	11,437,270	10,452,522	10,492,421	10,566,879
Building Maintenance	20	1,322,796	1,272,952	1,297,961	1,332,040
Veterans' Affairs	4	229,259	278,106	282,759	329,888
TOTAL	115	17,174,990	16,943,868	17,110,295	17,284,625
FUND TYPE					
General Fund		2,636,007	2,853,772	2,909,296	2,829,536
Special Fund		600	35,000	35,000	20,000
Federal Revenue Fund		14,538,383	14,055,096	14,165,999	14,435,089
TOTAL		17,174,990	16,943,868	17,110,295	17,284,625



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	385,552	397,864	409,918	429,899
Operating Expenses	124,055	303,674	303,674	200,835
Grants	157,966	158,000	158,000	81,683
<hr/> TOTAL	<hr/> 667,573	<hr/> 859,538	<hr/> 871,592	<hr/> 712,417
FUND TYPE				
General Fund	667,573	859,538	871,592	712,417
<hr/> TOTAL	<hr/> 667,573	<hr/> 859,538	<hr/> 871,592	<hr/> 712,417

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,612,276	3,176,327	3,261,139	3,456,440
Operating Expenses	881,679	904,423	904,423	886,961
Grants	767	0	0	0
Land Structures & Improve Budg	23,370	0	0	0
TOTAL	3,518,092	4,080,750	4,165,562	4,343,401
FUND TYPE				
General Fund	304,335	333,042	345,956	341,697
Federal Revenue Fund	3,213,757	3,747,708	3,819,606	4,001,704
TOTAL	3,518,092	4,080,750	4,165,562	4,343,401

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,004,029	2,269,299	2,309,198	2,390,179
Operating Expenses	944,472	8,183,223	8,183,223	8,176,700
Land Structures & Improve Budg	8,488,769	0	0	0
<hr/> TOTAL	<hr/> 11,437,270	<hr/> 10,452,522	<hr/> 10,492,421	<hr/> 10,566,879
 FUND TYPE				
General Fund	112,644	145,134	146,865	133,494
Federal Revenue Fund	11,324,626	10,307,388	10,345,556	10,433,385
<hr/> TOTAL	<hr/> 11,437,270	<hr/> 10,452,522	<hr/> 10,492,421	<hr/> 10,566,879

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	815,943	829,020	854,029	916,596
Operating Expenses	506,853	443,932	443,932	415,444
<hr/> TOTAL	<hr/> 1,322,796	<hr/> 1,272,952	<hr/> 1,297,961	<hr/> 1,332,040
FUND TYPE				
General Fund	1,322,796	1,237,952	1,262,124	1,332,040
Special Fund	0	35,000	35,000	0
Federal Revenue Fund	0	0	837	0
<hr/> TOTAL	<hr/> 1,322,796	<hr/> 1,272,952	<hr/> 1,297,961	<hr/> 1,332,040

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Veterans' Affairs

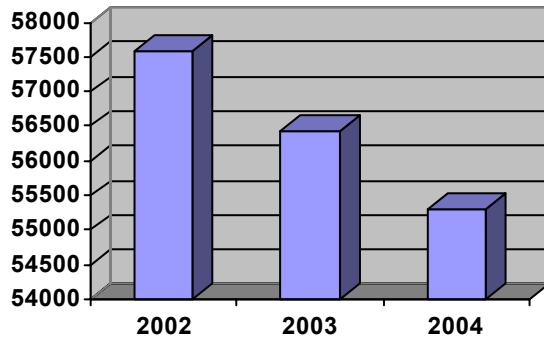
Performance Program Information

Results:

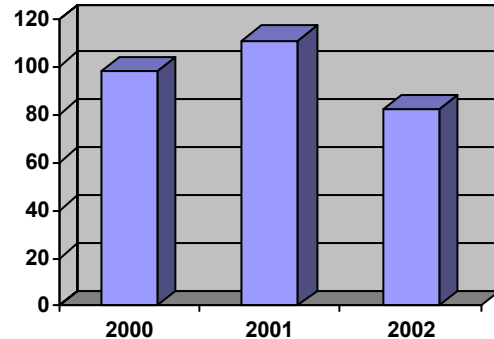
The State Veterans Affairs Office administers state benefits to veterans, to include the Vermont Veterans Memorial Cemetery, the Vermont Needy Veterans Fund, and the Vermont Veterans Medal program. We maintain over 200,000 service records that provide proof of military service, which is critical for the application of veteran benefits. We verify eligibility for the Veterans License Plate. We inform Vermont veterans, their dependents, and service providers of their benefits.

Key indicators:

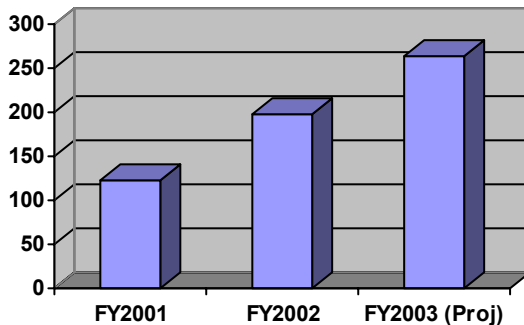
State Veteran Population



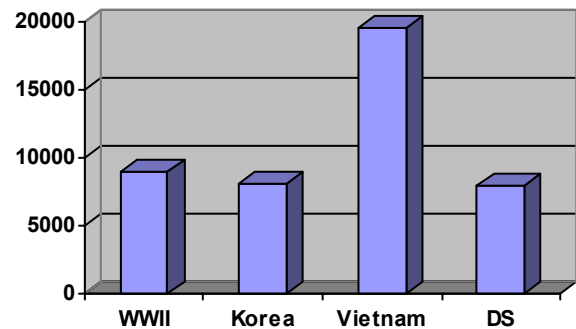
Number of Internments at Veterans Cemetery



Number of Applications for Needy Veterans Fund



Veterans from Each Era



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Veterans' Affairs

Story Behind Baseline Performance:

The State Veterans Affairs Office serves a population that is in decline, which is due primarily to the death of older veterans. Our most significant budget factor is customer volume, as most expenses are directly related to performing a service for a veteran or their family member.

Our most critical responsibility is records preservation, as without military discharges veterans and their families can not use their veteran benefits. We currently use a paper filing system that was implemented at the end of World War I. A records survey in FY2002 indicated that this records system is vulnerable to both catastrophic and gradual destruction. Steps need to be made to preserve the records in a system that is both accessible and permanent.

Strategy:

1. Continue to provide responsive service to our customers.
2. Create relationships with other organizations to increase awareness of our programs and to keep our staff informed of opportunities to enhance our services.
3. Inform state decision makers of issues facing Vermont veterans.

What Do We Propose to Do to Improve Performance:

Next Two Years:

- Continue operation with focus on making current processes more efficient.
- Implement Total Quality Management processes to better define office output and impact on veterans' community, which will allow us to compare our efforts to those of other states. This will include a continuous assessment of our programs/actions to make sure they are the best use of resources.
- Continue fostering relationships with the Department of Veterans Affairs, state veteran service organizations, and other organizations that assist veterans.
- Continue fostering recently reestablished ties with national organizations, such as the National Association of State Directors of Veterans Affairs, that provide training and cross-flow of programs found throughout the country that may be appropriate for us to use.

Next Five Years:

- Implement a new information system structure to digitally preserve 100% of our military discharges.

FY04 Key Budget Issues:

Performance of our office has three primary constraints: funding, personnel, and equipment. Increases in services will not be possible without addressing these constraints, with the root constraint obviously being funding.

This year will witness the 10th anniversary of the opening of the Vermont Veterans Memorial Cemetery. Most of the specialized and costly equipment used to operate the cemetery is original and will require replacement over the next few years. In addition, a new facility to house the equipment will need to be put in place this year.

The Needy Veterans Fund will receive more than twice as many applications for assistance in FY2003 than in FY2001. With similar appropriations for grants, this has forced us to make eligibility criteria

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Veterans' Affairs

stricter and to reduce the amount of assistance provided, both of which reduce the effectiveness of the program.

The Vermont veterans' medal program will need additional funding to operate beyond FY2003.

FY04 Budget:

Land, Structures, Improvement:

Currently, all equipment used to maintain cemetery is stored by Vermont Technical College. The college will no longer be able to provide this space after this summer due to renovations of their facility. The cemetery needs an approximately 25' x 25' storage building with at minimum electric and heat, and preferably water service, in order to store the equipment used to operate the cemetery.

Equipment:

Two pieces of equipment at the cemetery, a work truck and mowing tractor, need replacement in FY2004. The current work truck will most likely not last through FY2003.

Grants to Schools/includes NEEDY FUND:

With the current appropriation, we can only provide financial assistance to approximately 1/3 of the applicants, resulting in many worthy veterans not receiving assistance.

Other General Supplies:

Without additional appropriation the program that provides Vermont Veterans Medals and Vermont Distinguished Service Medals will stop in FY2004, as all medal supplies will be exhausted. The supply of Distinguished Service Medals is already exhausted.

Travel In-State Employee:

We restrict our outreach due to financial constraints, which severely limits our ability to serve organizations and veterans outside the Montpelier area.

Travel Out-of-State Employee:

To travel to the National Association of State Directors of Veterans Affairs Annual Training Meeting, which provides valuable training on how other states implement their veteran services.

Postage:

The office would like to implement two new outreach programs. The first would provide a quarterly newsletter to the 240 veteran groups who have registered with our office. The second would provide a benefits folder to every person who exits active duty and returns to Vermont.

Office Supplies:

The office would like to implement two new outreach programs. The first would provide a quarterly newsletter to the 240 veteran groups who have registered with our office. The second would provide a benefits folder to every person who exits active duty and returns to Vermont.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	122,910	130,991	135,644	157,723
Operating Expenses	45,933	21,265	21,265	65,000
Grants	60,416	125,850	125,850	107,165
<hr/> TOTAL	<hr/> 229,259	<hr/> 278,106	<hr/> 282,759	<hr/> 329,888
 FUND TYPE				
General Fund	228,659	278,106	282,759	309,888
Special Fund	600	0	0	20,000
<hr/> TOTAL	<hr/> 229,259	<hr/> 278,106	<hr/> 282,759	<hr/> 329,888

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

Department Mission Statement

The Department of Labor & Industry's mission is to provide for the safety, protection, and welfare of people where they work, live and play, in a manner that is fair, consistent, supportive, and professional.

The Department's Fiscal 2004 budget request is approximately \$6 million. About 80% of Labor and Industry's funding is from special funds, with general funds and federal funds accounting for the remaining 20%.

Most of the Department's 78 positions work in either Montpelier or regional offices in Barre, Rutland, Springfield, So. Burlington or Williston. The Department's work is organized into the following divisions and programs:

- Fire Prevention Division
- Project WorkSAFE and Public Sector Compliance
- Workers' Compensation Division
- Wage and Hour Program
- Passenger Tramway Program
- Elevator Safety Program.

Description of Appropriations, Divisions, & Programs

Fire Prevention Division

The Fire Prevention Division ensures the safety of the public through enforcement, education, licensing and certification programs. The Division, with 39 positions located in Barre, Montpelier, Rutland, Springfield and Williston, has responsibility for the safety and accessibility of all 80,000 of Vermont's public buildings. The Division administers fire, electrical, boiler/pressure vessel and plumbing safety programs. The primary activities of the division are inspecting buildings and reviewing plans to make sure that fire code and safety requirements are met, and providing educational outreach programs to stakeholders and the general public. It provides regulatory and technical assistance in the provision of barrier-free access to buildings for persons with disabilities. The Division continually works with the historic preservation community to ensure the safety of older buildings while assisting with preservation. The Division also provides administrative support to the plumbing and electricians' boards and issues licenses for both these professions. The Division has entered into cooperative inspection agreements with municipalities around the state. These agreements allow cities and towns to enforce codes and standards on the State's behalf and increase the total number of inspections conducted in the State.

Over 90% of the Division's funding comes from the Fire Prevention special fund. This special fund consists of a number of fees for permits and licenses, with the construction plan review permit fee generating between \$1.5 and \$2.0 million a year. The remaining special funds are from electrical,

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

plumbing and sprinkler inspection fees and electrical, plumbing and boiler licensing fees. The Division's remaining funds are general funds and transfers from other departments.

Vermont Occupational Safety and Health Administration (VOSHA)

VOSHA assures that all persons are provided, by their employers, with safe and healthful working conditions at their work places and ensures that employees not suffer diminished health, functional capacity, or life expectancy as a result of their work experience. This mission is accomplished through the inspection of public sector work places for violations of the VOSHA safety and health standards and through a voluntary consultation program to all employers.

Prior to July, 1, 2002 Vermont's Occupational Safety and Health (VOSHA) Inspection and Consultation programs were split between Labor and Industry and the Health Department. On July 1, 2002 the occupational health compliance and consultation programs at Health were combined with the occupational safety programs at Labor and Industry.

In early FY 2003 the VOSHA program was split in two, with the VOSHA Compliance inspection program being split from the Consultation program, renamed Project WorkSAFE. The VOSHA Compliance program and its twelve employees have been funded on a 50% general fund and 50% federal fund basis. Project WorkSAFE and its six employees have been funded by federal and special funds. Federal funds account for 80% to 90% of WorkSAFE's funding, depending upon federal grant limits. The remaining funding comes from the Workers' Compensation Administration Special Fund, which pays the cost of one consultant. The Department also receives small federal grants to cover half the cost of collecting labor statistics on injured workers and to fund private training programs from the Mine Safety & Health Administration.

The FY 2004 budget request proposes the elimination of most of the VOSHA Compliance program. Jurisdiction for private sector compliance inspections will be returned to the U.S. Department of Labor-OSHA. Because the federal government cannot assert jurisdiction over the public sector, the Department will retain a small, two-position, public sector inspection program.

Workers' Compensation Division

The Workers' Compensation Division ensures that workers who are injured because of their work receive medical and disability compensation from their employer or their employer's insurer, without regard to fault on the part of the employee or employer. This involves extensive efforts at dispute resolution, including form audits, mediation and adjudication. The Division adjudicates disputed workers' compensation claims through an informal dispute resolution process and when necessary through a formal hearing process.

With a staff of 15, the Division receives about 25,000 injury reports a year. Of these about 7,500 involve lost work time of three or more days. About 5,000 cases involve a dispute of one or more issues. Most of the disputed cases are settled informally, only 60 to 75 go to formal hearing.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

The Workers' Compensation program is primarily funded by an assessment, currently 0.85 %, on employers' workers' compensation premiums. We are recommending that the rate be reduced for fiscal 2004

Passenger Tramway Program

The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations designed to provide for passenger safety. The state has 226 lifts at its 26 ski areas. Each year about 250 injuries occur on or are caused by ski lifts over the course of about 4 million skier days, about one injury per 16,000 skier days.

The cost of the Passenger Tramway Program is paid by Vermont ski areas. An annual rate is set based upon the number, type and length of ski lifts operating in the State. Every fiscal year the fee rate is set to collect enough revenue to fund the program. The program has three inspectors.

Wage and Hour Program

The Wage and Hour Program enforces the State's minimum wage, overtime, wage payment, employee benefit, and child labor laws. This two-person program is funded entirely with general funds.

Elevator Safety Program

The 2001 Legislature created a private program to inspect elevators. The Program was to be phased in over a three year period. During FY 2003 the Department will begin issuing licenses to elevator inspectors and mechanics. Private licensed inspectors will inspect the approximately 3,000 elevators in Vermont. By Fiscal Year 2004 the program will be fully operational. The Elevator Safety Program has one staff support person to issue licenses and operating permits and is funded with license and operating permit fees.

Administration

The Commissioner's Office provides management, policy guidance, strategic planning, business management functions, information technology and legal services to the Department. The office also licenses employee-leasing companies. There are nine positions in Administration.

The costs of the Commissioner's Office and the Administrative Services section are allocated to the various funding sources based upon each program's proportional share of total costs.

Appropriation Key Budget Issues

The Department's Budget request for FY 2004 is just over \$6.0 million. Special funds, primarily the Fire Prevention special fund and the Workers' Compensation administration fund, account for 80% of the Department's funding. Federal funding from the U.S. Department of Labor contribute 12% while

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

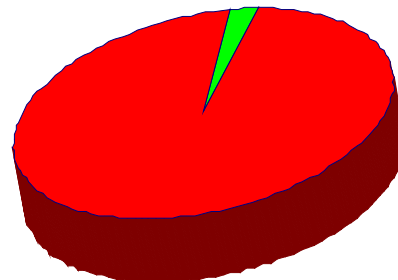
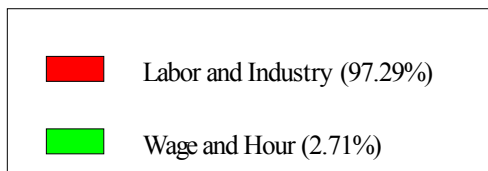
general funds are 8%.

The highlight of the Fiscal 2004 budget is the proposed elimination of the VOSHA private sector compliance program. The elimination of this program and ten positions will reduce our general fund appropriation by \$450,000 in FY 2004. A similar \$450,000 reduction will occur in federal funds.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Labor and Industry	86	5,254,839	6,313,184	6,511,835	5,850,789
Wage and Hour	2	69,113	139,058	141,423	162,697
TOTAL	88	5,323,952	6,452,242	6,653,258	6,013,486
FUND TYPE					
General Fund		822,296	860,096	944,904	469,251
Special Fund		3,892,920	4,490,531	4,582,907	4,802,539
Federal Revenue Fund		562,621	1,051,596	1,074,340	684,548
Interdepartmental Transfer		46,115	50,019	51,107	57,148
TOTAL		5,323,952	6,452,242	6,653,258	6,013,486



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Labor and Industry

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	4,348,138	4,923,184	5,121,835	4,666,989
Operating Expenses	843,425	1,320,000	1,320,000	1,113,800
Grants	63,276	70,000	70,000	70,000
TOTAL	5,254,839	6,313,184	6,511,835	5,850,789
FUND TYPE				
General Fund	753,276	721,038	803,481	306,554
Special Fund	3,892,827	4,490,531	4,582,907	4,802,539
Federal Revenue Fund	562,621	1,051,596	1,074,340	684,548
Interdepartmental Transfer	46,115	50,019	51,107	57,148
TOTAL	5,254,839	6,313,184	6,511,835	5,850,789

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wage and Hour

Performance Program Information

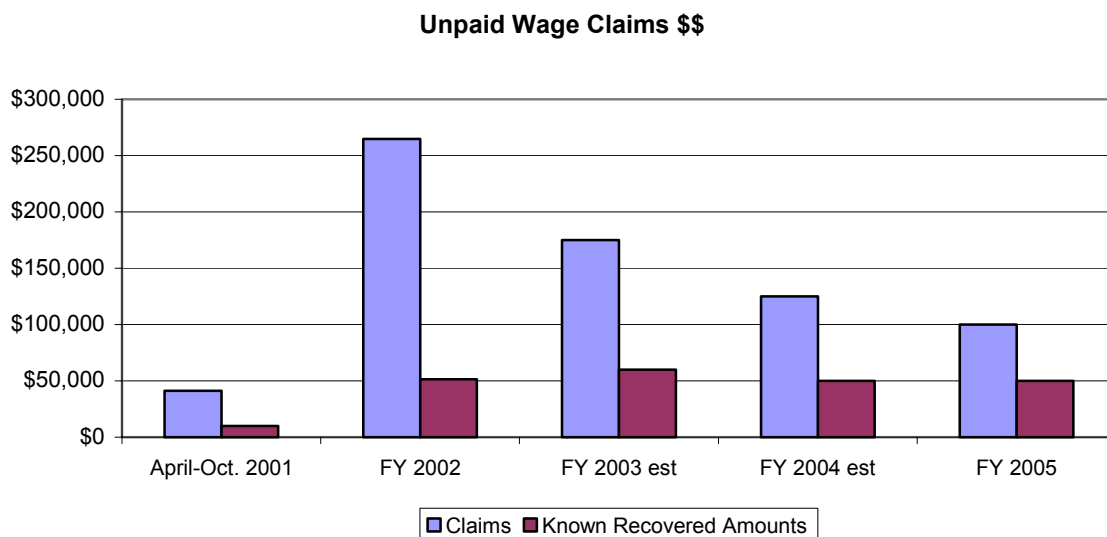
Program Outcome Statement

The Wage and Hour program seeks to ensure that Vermont employers pay employees the appropriate wages due them and to pay them when they are due. The program provides information on wage and hour laws, including child labor, and resolves wage related disputes.

Key indicator

The program assists employees in collecting unpaid wages. The figures below reflect the fact that not all of the claims we receive have merit and we are not always informed when claims are successfully settled. In addition, some claims involve employers who have no assets and are forced to close and file for bankruptcy. Some claimants pursue private civil actions after they file a claim with us.

Since April 2001, we have begun to keep reliable statistics. Prior to that time staff shortages have resulted in poor information gathering.



Story Behind Baseline Performance

Prior to the addition of another staff person in FY 2002, the Wage & Hour program had one full time staff person. The Department's legal counsel, the Commissioner's secretary and the investigator in Workers' Compensation provide additional support. The program provides services to Vermont's approximately 350,000 employees and over 20,000 employers. With a program of our size, we rely on

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wage and Hour

education and information to achieve compliance with the state's wage and hour laws. Most Vermont employers are willing to pay their employees the money that is owed them. Most of the telephone calls we get are requests for information such as: "what is the minimum wage", "must I be paid overtime", and "can I be terminated without cause?" Only a small percentage of our calls, emails and letters allege violation of the state's wage and hour laws.

In fiscal 2002, we recovered 19% of the unpaid wage claims filed with us. Included in the \$264,000 in wage claims for FY 2002 is one claim for \$145,000 for a company that is in bankruptcy. We have not been able to collect any of these funds and the unpaid employees must rely on the bankruptcy process to resolve their claims.

The Department's investigator becomes involved in disputed claims and aggressively pursues those that appear to have merit. Anecdotally, we know the investigator has a high success rate with these claims, but the Department has not developed a system that would specifically track these claims.

We expect that the amount of claims filed will increase over the next couple of years and then decline as a result of our educational and enforcement efforts. The percentage of claims collected will increase over time.

What do we propose to do to improve performance?

The Wage and Hour Program is the only program in the Department of Labor and Industry that is entirely funded by general funds. It is unlikely that the program will see significant increases in staffing or funding. Cutbacks in other programs allowed us to maintain the Wage and Hour program at its current level. We recognize that we need to be creative to fulfill our important mission. The addition of the second staff person in FY 2002 has made service better and faster.

Education and Information

Through the distribution of our informational packets, we are increasing our education of employers, reducing claims and time spent in the recovery of claimed wages and benefits. We plan to expand our audience and distribute these packets to wider audiences such as job fairs and economic development roundtables and fairs.

We use the Internet to provide information to employers, employees and organizations. Increased use of the Internet will allow us to get information to people more efficiently. The State of Vermont is proceeding with a statewide "E-Government" initiative, which we should allow us to provide better service electronically.

Aggressive pursuit of meritorious claims

Despite all our best efforts, we know there will continue to be employers who will violate the state's

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wage and Hour

wage and hour laws. We hope to develop a system in which we will be able to pursue meritorious claims more aggressively. Intractable and recalcitrant employers may be less willing to violate our laws as they become more aware of the possible “pain” of litigation, penalties, et cetera. This will free staff time for more educational opportunities.

We have met with attorneys in the Attorney General’s Office to discuss pursuing some of our cases, and we plan to pursue this partnership further. We also hope to develop a relationship with law firms that are interested in pursuing these claims, as there is a private right of action available under Vermont law.

The Department has made more staff attorney time available to wage and hour enforcement cases.

Performance measures summary table

Performance Measures	April to Oct. 2001	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
<u>What/ How Much We Do</u>					
Information Requests	3,817	8,000	8,000	8,000	8,000
Number of Wage Claims Filed	136	389	300	300	275
Amount of Claims Filed	\$41,085	\$264,763	\$175,000	\$125,000	\$100,000
<u>How Well We Do it</u>					
Known Dollars Recovered	\$9,826	\$51,448	\$60,000	\$50,000	\$50,000
<u>Is Anyone Better Off</u>					
Percent of Known Dollars Recovered	24%	19%	34%	40%	50%

FY 2004 key budget issues & increases, decreases from FY 2003

In FY 2002, an additional staff person was added and funding was increased.

The FY 2004 budget request of \$162,000 maintains the program at two full-time positions. In FY 2004, one-half of the cost of the investigator position is being budgeted to the Wage and Hour program. The investigator, located within the Workers’ Compensation program, spends about half of her time on Wage & Hour issues.

One cost variable that we have little control over relates to costs associated with statutory changes in the wage & hour laws; in particular changes in the minimum wage. Whenever the rate changes we must change our posters and brochures and do a mailing to all affected Vermont employers.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wage and Hour

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	52,846	106,058	108,423	123,447
Operating Expenses	16,267	33,000	33,000	39,250
<hr/> TOTAL	<hr/> 69,113	<hr/> 139,058	<hr/> 141,423	<hr/> 162,697
FUND TYPE				
General Fund	69,020	139,058	141,423	162,697
Special Fund	93	0	0	0
<hr/> TOTAL	<hr/> 69,113	<hr/> 139,058	<hr/> 141,423	<hr/> 162,697

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

Department Mission Statement

The mission of the Vermont Criminal Justice Training Council is to provide the criminal justice agencies at the state, county and local levels with the best possible training and support services. This includes but is not limited to full-time and part-time basic training certification, recertification courses on an annual basis, and support in developing personnel profiles, promotion and hiring. Additionally, we provide direct support to local select board members in developing hiring practices that are consistent with the statutes and rules of the Criminal Justice Training Council.

Description of Appropriations, Divisions, & Programs

Description of Department: The Criminal Justice Training Council operates the Vermont Police Academy, The Vermont Canine Academy and houses and assists with the Vermont Corrections Academy. The Corrections Academy is directed and budgeted by the Vermont Department of Corrections.

The Vermont Police academy operates two full-time classes each year, consisting of a total of twenty-one weeks each including the three-week pre-basic by the Vermont State Police. The academy also operates four part-time certification schools. This is down from six in previous years due to budget cuts. The part-time program consists of three Phases. Phase I is 58 hours of classroom, Phase II is 50 hours of additional classroom training and Phase III consists of 60 hours of on the road, supervised training. While phase II and III are being completed, the officer must work under the direction of a fully certified police officer. The academy certifies approximately 100 part-time officers and 70 full-time officers each year plus approximately 30 waiver students from other states. Additionally we average 50 people per day for in-service education and re-certification education.

The Vermont Canine Academy currently consists of 37 certified teams from all types of departments including, state police, municipal police, sheriffs deputies, Fish and Wildlife Officers and Department of Motor Vehicle Inspectors. These teams are required to train each month and demonstrate their skills during a proficiency test each year. These teams are trained in one or more of the following areas: patrol, tracking, drug detection, black powder detection and bomb detection.

The academy also cooperates with various community organizations by offering the facility for student seminars, recreation events and leadership classes. Additionally, the academy houses four youth programs geared to a future in law enforcement or firefighting.

Appropriations, Programs: The Criminal Justice Training Council is funded through the General Fund, Transportation Fund and Special Fund. The special fund is made up of tuition charged to Departments who participate in in-service training. The Special Fund also has receipts from penalty assessment

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

deposited to it. Misc. incomes from other tuition and reimbursement sources make up the remainder.

The Academy has had to cut its Highway Safety Program during FY03 due to a termination of federal funding. As a result, one staff member was terminated.

Key Budget Issues: Due to the rescissions during the FY03 year, the academy has had to cut services and programs to the police community. Our in-service programs have been drastically cut and our direct services to the field have been slowed. Additionally, the proposal for an alternate form of full-time certification program has been shelved due to lack of funds for research and implementation. To accommodate the level funding, the academy will have to continue to shave in-service programs as well as services to the field. The staff consists of seven people who service nearly 2,000 officers, 80 departments, Constables from around the state and public groups. The staff positions are as follows: Executive Director, Assistant Director (also responsible for Terrorism Training), three Training Coordinators (one of which is 75% dedicated to Domestic Violence Response Training per funding requirements) and two support staff. We have partnerships with various colleges and universities giving us access to interns. The most important issue in funding of the Academy is the amount of service donated by the police departments around the states. This DONATION is estimated to be approximately one half million dollars. These departments supply us with instructors, training assistants, equipment and advice. Without their support, the Academy could not do its job.

Appropriation Key Budget Issues

The Criminal Justice Training Council received two (2) budget recessions over the fall totaling nearly \$5,000. Between reviewing our food service contract and other personal service areas, the Council was able to absorb these cuts with little effect on programs. The staff had a retreat to evaluate ALL aspects of the mission of the Police Academy and in particular its programs. It was determined that a majority of all programs are either governed by Statute or by Court decision. It was also determined that in this post 9/11 era, training for first responders is even more important than before. To that end, the Criminal Justice Training Council and the Fire Service Training Council have joined forces to present first responder training in light of these events. To date, we have presented six different programs to well over 300 emergency first responders in the fields of police, fire, rescue and government in 5 different locations ranging from the Canadian Boarder to nearly Massachusetts. It has become extremely evident, after having been appointed the points of contact for training by the Terrorism Task Force, that both police and fire training councils need more financial support to conduct these trainings. We are currently working on securing a series of federal grants, but have not heard conclusively. The need for additional resources is a must. The Criminal Justice Training Council would like to discuss funding options such as penalty assessment per the New Hampshire model. Added to the list of trainings needed from Criminal Justice, was the creation and dissemination of a 32 hour class for the training of new security officers for the Capitol Complex. These people will also need follow-up training.

Clearly, a level funded budget cannot meet the needs of the emergency services community in this state.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

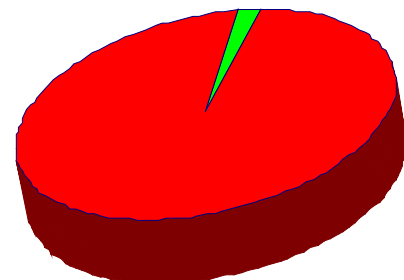
Local, County and State Agencies are donating over one half a million dollars in staff time and equipment to the academy, just to hold the line without increasing programs or services. In turn for these donated services, the Academy is charging these same departments to take in-service programs. As a result, when local budgets diminish, local services to the academy also diminish. The need for the replacement of furniture and training aids is openly evident. In considering alternative models of funding, this will not require additional tax dollars and therefore will not put an additional burden on the taxpayers.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Criminal Justice Training Council	8	917,309	1,399,253	1,456,207	1,365,444
Domestic Violence	1	0	16,966	16,966	28,826
TOTAL	9	917,309	1,416,219	1,473,173	1,394,270
FUND TYPE					
General Fund		185,060	469,083	503,755	558,151
Transportation Fund		325,768	348,154	370,436	348,154
Special Fund		326,570	432,470	432,470	460,855
Federal Revenue Fund		0	50,000	50,000	0
Interdepartmental Transfer		79,911	116,512	116,512	27,110
TOTAL		917,309	1,416,219	1,473,173	1,394,270

■	Criminal Justice Training Council (97.93%)
■	Domestic Violence (2.07%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	639,659	690,066	724,738	634,929
Operating Expenses	277,650	709,187	731,469	730,515
<u>TOTAL</u>	<u>917,309</u>	<u>1,399,253</u>	<u>1,456,207</u>	<u>1,365,444</u>
FUND TYPE				
General Fund	185,060	469,083	503,755	558,151
Transportation Fund	325,768	348,154	370,436	348,154
Special Fund	326,570	428,982	428,982	432,029
Federal Revenue Fund	0	50,000	50,000	0
Interdepartmental Transfer	79,911	103,034	103,034	27,110
<u>TOTAL</u>	<u>917,309</u>	<u>1,399,253</u>	<u>1,456,207</u>	<u>1,365,444</u>

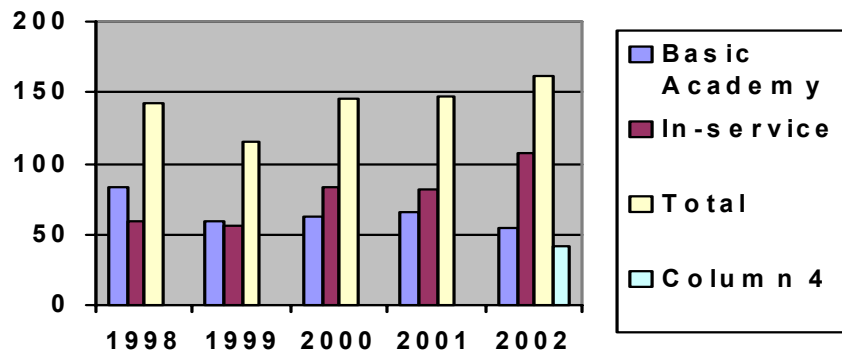
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Domestic Violence

Performance Program Information

In the last report, the Domestic Violence/Family Violence training was selected to review performance. The results have been positive. Below are some of the results and further goals to improve performance.

Goal #1: To increase the number of domestic violence related training hours in the basic academy. The Family Violence Training Coordinator worked with the academy's basic academy training coordinators to increase the number of training hours by 33% in the 74th Basic Academy (Fall 2002). The Family Violence Training Coordinator continues to work with other Basic Academy instructors to integrate domestic violence response information into their major block trainings (i.e. patrol procedures, report writing, and interviewing).

Goal #2: This past year the Vermont Criminal Justice Training Council (VCJTC) offered more Domestic Violence Response classes than in recent history. Nine courses were offered regionally and on Saturdays. This resulted in a 24% increase in in-service student attendance (See graph below). VCJTC also held newly developed Domestic Violence Response Update course twice (See graph below).



Goal #3: The Family Violence Training Coordinator continues to work on updating the current Domestic Response curriculum and manual based on changes in the law, filed experiences as well as input from the field and various input from advices groups. It is anticipated the resulting curriculum and manual will reflect the most current and best law enforcement training in responding to this crime. This training will emphasize officer safety, a strong victim focus, and offender accountability.

Goal #4: It is anticipated when the curriculum and manual are completed VCJTC will be holding a train-the-trainer to introduce current instructors to the new curriculum and to certify new persons as DV Response instructors.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Domestic Violence

Goal #5: Upon completion of the new curriculum and manual and the train-the-trainer course a list-serv will be created to aid in distribution of pertinent domestic violence response information.

Goal #6: Domestic Violence Response Update course will continue to be offered. Other means being considered for providing updated information are articles in local law enforcement magazines, roll-call training sheets, or information via state-wide emails.

Goal #7: The Family Violence Training Coordinator continues to work closely with other domestic violence related agencies in the development of domestic violence related courses. For example, the coordinator is currently working with other agencies to include the Network and SRS in the development of a course addressing police response to domestics where children are present. Also she is working with various agencies including the Vermont Center for Crime Victims Services and Adult Protective Services on the development of a course on police response to domestic violence and sexual assault of vulnerable adults.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Domestic Violence

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	13,478	13,478	25,337
Operating Expenses	0	3,488	3,488	3,489
<hr/> TOTAL	<hr/> 0	<hr/> 16,966	<hr/> 16,966	<hr/> 28,826
FUND TYPE				
Special Fund	0	3,488	3,488	28,826
Interdepartmental Transfer	0	13,478	13,478	0
<hr/> TOTAL	<hr/> 0	<hr/> 16,966	<hr/> 16,966	<hr/> 28,826

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Liquor Control

Department Mission Statement

The Department of Liquor Control is responsible for: The purchase, distribution and retail sale of all "spirits", (i.e., all distilled spirits, beers of greater than 8% alcohol, and wines greater than 16% alcohol content); the enforcement of Vermont's alcohol beverage statutes and regulations; and statutes relating to tobacco products; the collection of the State's 25% retail tax on liquor; the annual issuance of more than 5,000 licenses; providing mandatory education concerning the proper use of alcohol beverages and tobacco products to licensees, industry members and students; and the redemption and recycling of liquor bottles subject to Vermont's deposit law.

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

The Department of Liquor Control is funded through an Enterprise Fund that is primarily made up of alcohol receipts from the sale of spirituous liquor. These monies go toward the operation of both the business and regulatory functions. No General Fund monies go to the support of the Department's budget. DLC contributes over \$10.6 million dollars to the General Fund plus \$600,000 in license fees and violations. In addition \$327,000 and more has been annually transferred from its bottom line for many years, delaying payment on its payables. The revenue stream has increased 20% over the last four years.

The Administrative side of the department is responsible for business and retail functions. The department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and promotes moderate consumption while maximizing the revenues generated for the state. To maintain its status as a viable distribution system for liquor, the department must operate as a profitable business.

Retail Operations provide for the sale of alcohol beverages to the public and licensed establishments throughout the state.

Warehousing, Distribution, and Recycling receives and stores alcohol beverages from vendors and distributes inventory throughout the state to liquor outlets for resale. This division coordinates pickup of all refunded empty liquor bottles at more than 132 outlets and redemption centers throughout Vermont and transfers recyclable material to recycling centers for further processing.

Administration has several subdivisions:

Liquor Control Board, Commissioner and Support Personnel supervise and manage the sale of spirituous liquors as well as enforce laws and regulations under VSA Title 7.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Liquor Control

Supervisory Staff provide support to outlets with training, audits, product knowledge, inventory control and other supportive measures as needed.

Accounting is responsible for all the financial transactions related to the operations of the department.

Purchasing has control of inventory of alcoholic beverages from liquor vendors to resale.

Information Technology supports all divisions of the department.

Enforcement, Licensing & Education Appropriation:

The Enforcement, Licensing, & Education division's mission is to provide a safe and healthy environment by fostering respect for, and adherence to, the laws of the State of Vermont.

Its goals are: to provide meaningful liquor control education to licensees, schools and the general public; apply strict but fair enforcement of the Vermont liquor laws and regulations; and permit only responsible persons to engage in alcohol beverage sales and service.

The regulatory side of the Department enforces the Vermont's Alcohol Beverage statutes and regulations and certain tobacco laws; and mandatory alcohol and tobacco education for all licensees and their employees.

Enforcement and Licensing investigate license applicants and premises. They conduct inspections for detection, correction and intervention, as well as investigate complaints from the general public and fellow law enforcement, conduct evidentiary hearings. They enforce the laws concerning illegal importation and laws restricting youth access to tobacco products. Enforcement approves, processes and issues more than 4,900 licenses and handles cases and decisions. Investigation of applicants for adult identification cards is done as well as issuance of I.D. Cards. Preparation and issuance of tobacco forms is done and they compile and collate tobacco-licensing information from 246 towns and cities. They also conduct alcohol compliance testing monthly on licensed premises as mandated by the Liquor Control Board.

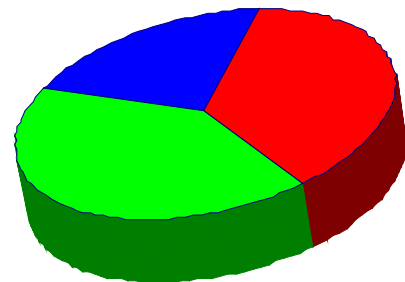
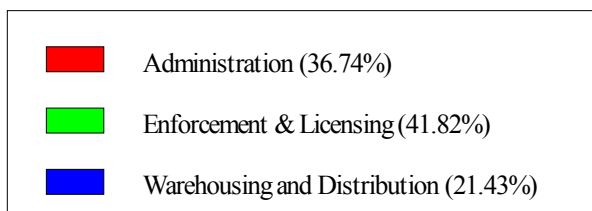
The Education Unit does licensee server training to owners and employees. They also process seminar activity. Their primary function is mandatory server/seller information as mandated by Title 7 (239C). Tobacco compliance testing is also mandated by the legislature (2001-2002). The Tobacco Settlement Fund (MSA) funds the Education Unit.

In 1999, the role of Alcohol Server Education increased greatly by the legislature passing mandatory server/seller education. The Education Section became a more defined part of the Division. The Education Section became a more defined part of the Division. In the Education Section there is now an Education Programs Coordinator, two Education Investigators and an administrative person solely working together to improve the departments educational programs. The section has been developing updated programs for licensees, as well as working on improved programs for students and their communities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Liquor Control

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Enforcement & Licensing	23	1,664,323	1,700,686	1,748,094	1,707,642
Administration	19	2,244,719	1,514,890	1,542,785	1,500,171
Warehousing and Distribution	14	0	882,823	896,614	875,140
TOTAL	56	3,909,042	4,098,399	4,187,493	4,082,953
FUND TYPE					
Special Fund		305,889	318,973	324,953	318,973
Enterprise Fund		3,581,877	3,779,426	3,862,540	3,763,980
Interdepartmental Transfer		21,276	0	0	0
TOTAL		3,909,042	4,098,399	4,187,493	4,082,953



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Enforcement & Licensing**

Appropriation Key Budget Issues

Tobacco Settlement money funds our education program for licensees and their employees. This too will aid in maintaining and improving our service impact.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Enforcement & Licensing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,393,921	1,393,102	1,440,510	1,412,065
Operating Expenses	270,402	307,584	307,584	295,577
<hr/> TOTAL	<hr/> 1,664,323	<hr/> 1,700,686	<hr/> 1,748,094	<hr/> 1,707,642
FUND TYPE				
Special Fund	305,889	318,973	324,953	318,973
Enterprise Fund	1,337,158	1,381,713	1,423,141	1,388,669
Interdepartmental Transfer	21,276	0	0	0
<hr/> TOTAL	<hr/> 1,664,323	<hr/> 1,700,686	<hr/> 1,748,094	<hr/> 1,707,642

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

A key budget issue for administrative appropriation is to further reduce payables for the department, yet still meet all criteria of liquor business in most efficient way under tight budget constraints. Our department hopes to continue to maintain the same increased level of funding paid to General Fund for the fiscal year, and Liquor Control will strive to maintain services at the current level.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,592,598	1,094,958	1,122,853	1,167,256
Operating Expenses	652,121	419,932	419,932	332,915
<hr/> TOTAL	<hr/> 2,244,719	<hr/> 1,514,890	<hr/> 1,542,785	<hr/> 1,500,171
FUND TYPE				
Enterprise Fund	2,244,719	1,514,890	1,542,785	1,500,171
<hr/> TOTAL	<hr/> 2,244,719	<hr/> 1,514,890	<hr/> 1,542,785	<hr/> 1,500,171

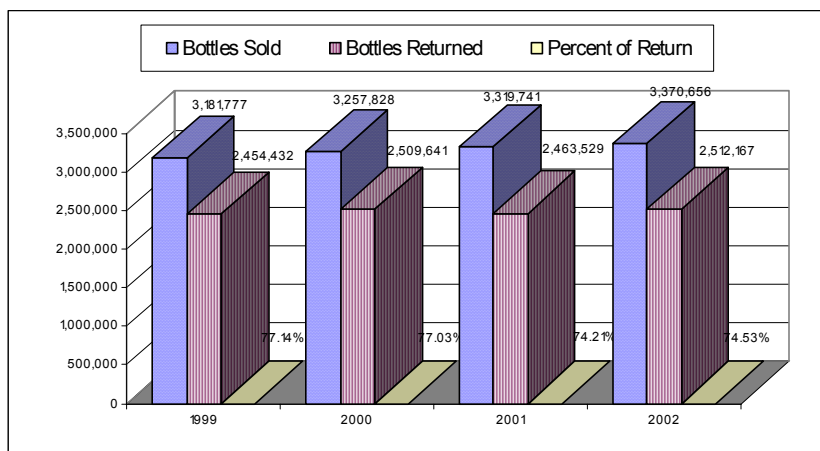
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Warehousing and Distribution

Performance Program Information

Results: Direct control of the warehousing and distribution system is one of the keys to the success of the Control State approach to alcohol beverages. Delivery of product to the outlets, pickup of recyclables (thereby reducing materials going into the waste stream), good customer service, and reduced costs are some of the benefits of the Department of Liquor Control's (DLC) warehousing, distribution, and recycling efforts.

Key Indicators:

Recycling: During the 1988 Legislative session the General Assembly enacted modifications in the Bottle Deposit Law, which required a 15-cent deposit on liquor containers, and mandated a 60 percent rate of return to be met by 1992. As can be seen by the attached chart, the rate continues to be met. Bottles sold have increased in the four-year comparison and bottles returned have fluctuated between 74 and 77%. One reason for the reduction in the bottle return rate for 2001-2002 is the increase in purchases by out-of-state customers, who take their purchases home to other states. Those bottles are, therefore, not redeemed for deposits. At the same time, however, they are kept out of Vermont's waste stream.

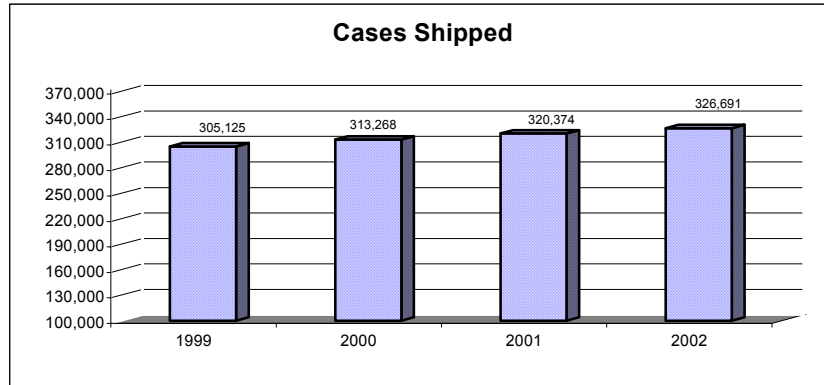


Cases Shipped: Inventory that comes into the warehouse is considered bailment inventory. That is, the liquor vendor owns the inventory until it is shipped to the outlet. At that point, the Department is invoiced for the product. This is a great advantage to the state in that its payment for inventory is not due at the time of delivery as with beer and wine. The Department's sales have increased over the years such that revenue to the General Fund has increased by 18% from 1999-2002.

Cases shipped have increased over the last four years mainly due to our sales program, which advertises national brands at deep discounts as indicated by the graph below. This has attracted more consumers who have purchased higher priced items and also reduced the number of customers going over to New

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Warehousing and Distribution

Hampshire.



Story Behind Baseline Performance

The Department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and promote moderate consumption while maximizing the revenues generated for the state. To maintain its status as a viable distribution system for liquor, the department must operate as a profitable business. Warehousing and distribution receives and stores alcohol beverages from 60 liquor vendors worldwide and distributes that inventory to 75 liquor agency outlets throughout the state for resale. The Department maintains one warehouse in Montpelier to receive and store liquor. The Department also coordinates pickup of all refunded empty liquor bottles at over 195 outlets and certified redemption centers throughout Vermont as mandated by Act 261 of 1988. Included in this process is the transfer of recyclable material (bottles) to recycling centers for processing. The liquor bottle-recycling program helps to keep litter off the roadside and prevents over 350,000 cubic feet of solid waste from entering our landfills. In FY 2000, the warehouse took on the task of delivering stock to our seventy-five liquor outlets. A contracted carrier previously performed this service.

Performance Measures:

Analyze recycling costs in relation to sales.

<u>Performance Measures</u>	<u>Sales Rev. By /Cs</u>
FY 1999	\$29.98
FY 2000	\$30.76
FY 2001	\$31.93
FY 2002	\$32.62
Target 03	\$33.30
Target 04	\$34.00

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Warehousing and Distribution

Strategies:

Sales Revenue by case has increased for the four years as indicated and should continue to increase as we work to add new national sale items and negotiate with liquor companies to offer deeper discounts.

Improve performance & efficiency

- Monitor store retail inventory to ensure sufficient stock levels for greater customer service, thereby reducing payables.
- Reset store layouts for better category management of products.
- Replace existing point of sale equipment with a pc- based system for greater flexibility and for future system growth.
- Reset warehouse layout to optimize inventory flow and space utilization.
- Expand education program to include curriculum based seminars that identify each type of licensee and their particular needs.
- Reduce the rate of non-compliance for alcohol and tobacco by improving educational programs and providing stronger enforcement.
- Updating department's 5 year strategic plan.
- Review in depth all department rules and regulations in VSA 7.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	555,248	569,039	627,381
Operating Expenses	0	327,575	327,575	247,759
<hr/> TOTAL	<hr/> 0	<hr/> 882,823	<hr/> 896,614	<hr/> 875,140
 FUND TYPE				
Enterprise Fund	0	882,823	896,614	875,140
<hr/> TOTAL	<hr/> 0	<hr/> 882,823	<hr/> 896,614	<hr/> 875,140

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Racing Commission**

Department Mission Statement

The Racing Commission is charged with the establishment, Licensing, regulation, and control of the pari-mutuel system of wagering on horse racing in the State of Vermont.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Racing Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Racing Commission	0	4,590	1	3,942	5,000
<u>TOTAL</u>	<u>0</u>	<u>4,590</u>	<u>1</u>	<u>3,942</u>	<u>5,000</u>
FUND TYPE					
General Fund		4,590	1	3,942	5,000
<u>TOTAL</u>		<u>4,590</u>	<u>1</u>	<u>3,942</u>	<u>5,000</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Racing Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,283	0	1,200	2,076
Operating Expenses	3,307	1	2,742	2,924
<hr/> TOTAL	<hr/> 4,590	<hr/> 1	<hr/> 3,942	<hr/> 5,000
FUND TYPE				
General Fund	4,590	1	3,942	5,000
<hr/> TOTAL	<hr/> 4,590	<hr/> 1	<hr/> 3,942	<hr/> 5,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of State

Department Mission Statement

To use the Office of the Secretary of State's constitutional and statutory authority to; protect public health and safety, protect the integrity of the State's electoral process, protect public access to government and its records, and to foster an understanding of and an enthusiasm for our democratic form of government.

Description of Appropriations, Divisions, & Programs

The Office is comprised of the divisions of Archives, Corporations, Elections and Professional Regulation; and the Safe at Home address confidentiality program. The Office's Corporations Division is detailed in a separate performance budget.

ARCHIVES

The Archives Division of the Office of the Secretary of State preserves and keeps accessible state government records deemed by statute, record schedule or archival appraisal to have continuing value. The goal of the Archives is to provide evidence of key government transactions and activities of government.

The Archives shall, to the extent practicable, cooperate with and assist state institutions, political subdivisions, and individuals engaged in archival management and historical research. The Archives may offer advice on questions associated with the statutory provisions governing access to public records. The primary statutory authority for the State Archives can be found in 3 V.S.A. §117 and in the broader requirements of Article VI, Chapter I of the Vermont Constitution for the accountability of government officials to the public.

ELECTIONS

The Elections division of the Office of the Secretary of State protects the integrity of campaigning and elections in Vermont; facilitates the access of all citizens to elections, governmental activities, and public issues; provides administration and support for the orderly conduct of elections, including making recommendations for improvements to the process (both technological and policy); provides responsive and accurate information and advice to citizens, public officials, and the press on elections, campaign finance, lobbyist disclosure, open meeting, public records, and municipal questions; administers the campaign finance and lobbyist disclosure laws; improves the motor voter registration process and forms; continues to increase the availability of information through its web site and publications; and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.

As of the 2000 census, there were 461,491 citizens of voting age population and as of November, 2002

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of State

there were 418,718 registered voters in Vermont. The Elections division serves citizens, voters, candidates, political parties, political committees, public officials (elected and appointed), members of the press, lobbyists, lobbyist employers, students, public interest groups and a wide variety of researchers and academicians.

OFFICE OF PROFESSIONAL REGULATION

The mission of the Office of Professional Regulation within the Office of the Secretary of State is to protect the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations. The Office of Professional Regulation serves 39 professions, agencies who investigate criminal and civil abuse cases, professional associations, consumers, and educational systems for the professions.

The outcome indicators for this Office include:

1. Number of applications for registration, certification, or licensure processed within the 14-day objective.
2. Monthly and annual median age of disciplinary cases at disposition as a measure of the 12 month objective;
3. Monthly and annual number of disciplinary cases opened, investigated, pending and disposed.

SAFE AT HOME

The Safe at Home address confidentiality program helps victims of domestic violence, sexual assault, and stalking rebuild their lives and be safer by providing a substitute address to be used when creating or updating records with state or local government agencies. The substitute address provides for confidentiality of victims' actual locations by preventing assailants from locating victims by using public government records.

OUTCOMES

- 1) Victims are using the substitute address for their correspondence with state and local government and for private correspondence.
- 2) Safe at Home maintains an enduring partnership with crisis programs that offer safety planning and various victim services.
- 3) Participants report that the Safe at Home program helps them feel less threatened that their assailant will locate them.
- 4) The Safe at Home program is accurately forwarding mail to participants in an efficient manner.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of State

Appropriation Key Budget Issues

Federal funding of \$60,000 through Vermont Center for Crime Victim Services for the "Safe at Home" address confidentiality program for FY2003 is no longer available. \$20,000 is included in General Funds in the budget for FY2004 for this program.

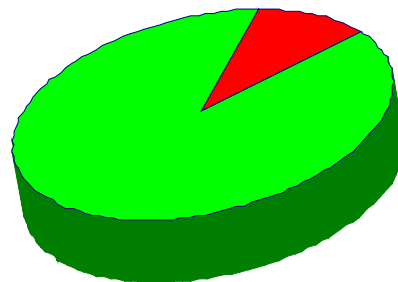
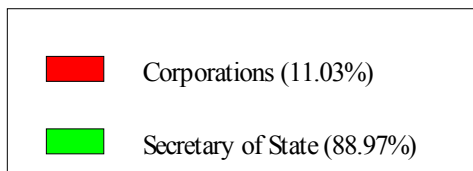
Funding of \$135,239 is included for the cost of the Presidential primary.

APA proposed rule publication costs are decreased by \$20,000 from FY2003 due to refinements in the newspaper publication list. Costs of publication of proposed rules are reimbursed by the originating Agency or Department proposing the rule.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Secretary of State	43	3,688,276	3,580,120	3,641,146	3,514,852
Corporations	6	0	404,380	430,203	435,903
TOTAL	49	3,688,276	3,984,500	4,071,349	3,950,755
FUND TYPE					
General Fund		517,124	506,141	520,456	522,023
Special Fund		3,034,257	3,348,359	3,418,845	3,353,732
Federal Revenue Fund		54,895	0	0	0
Interdepartmental Transfer		82,000	130,000	132,048	75,000
TOTAL		3,688,276	3,984,500	4,071,349	3,950,755



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,790,134	2,538,026	2,599,052	2,615,578
Operating Expenses	803,842	1,042,094	1,042,094	899,274
Grants	25,070	0	0	0
Non Operating Exp Budget	69,230	0	0	0
<hr/> TOTAL	<hr/> 3,688,276	<hr/> 3,580,120	<hr/> 3,641,146	<hr/> 3,514,852
FUND TYPE				
General Fund	517,124	506,141	520,456	522,023
Special Fund	3,034,257	2,943,979	2,988,642	2,917,829
Federal Revenue Fund	54,895	0	0	0
Interdepartmental Transfer	82,000	130,000	132,048	75,000
<hr/> TOTAL	<hr/> 3,688,276	<hr/> 3,580,120	<hr/> 3,641,146	<hr/> 3,514,852

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corporations**

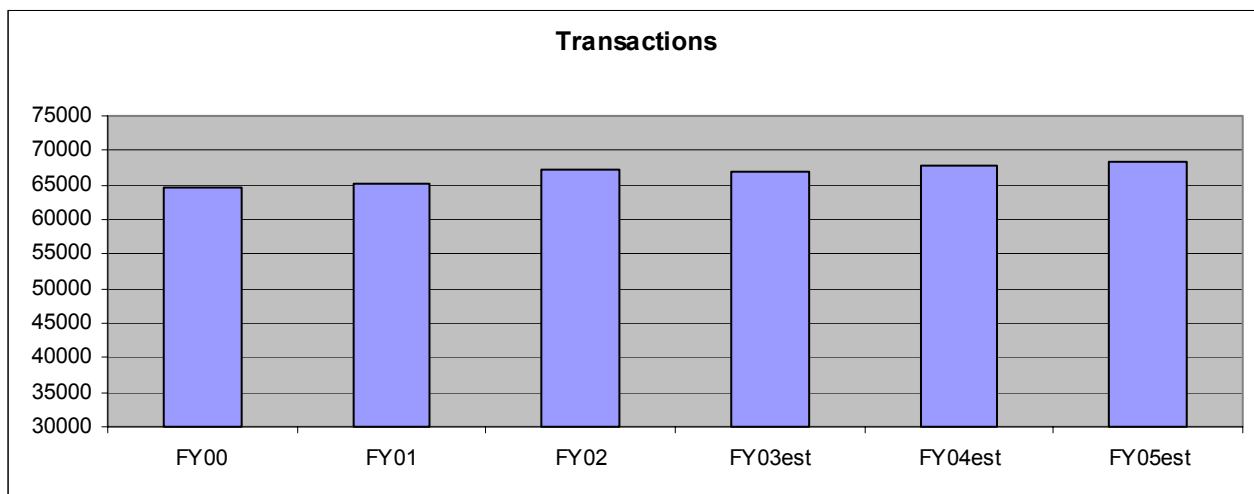
Performance Program Information

Program Outcome Statement:

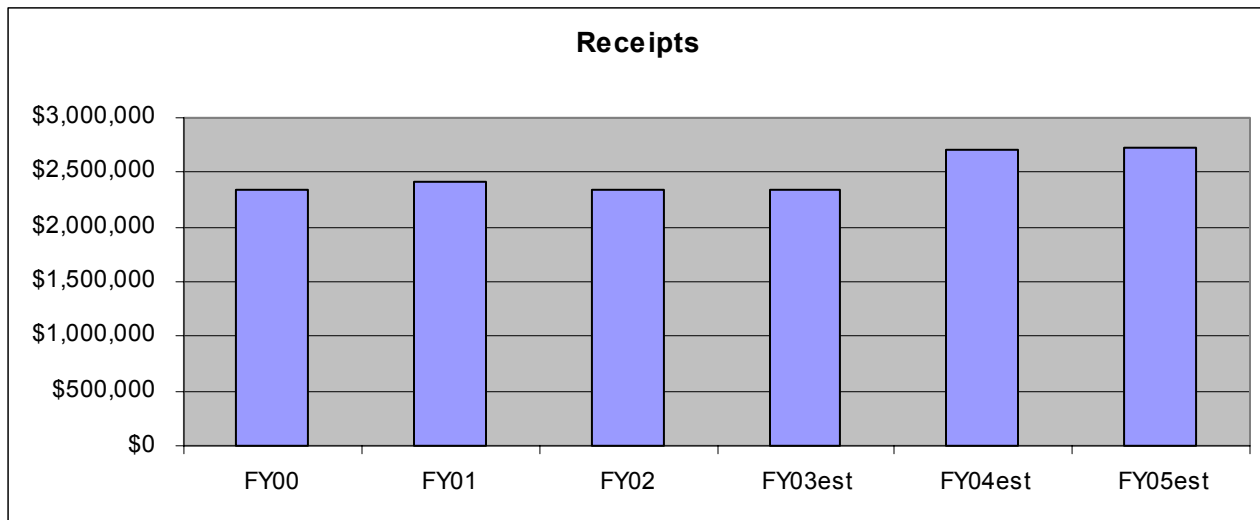
The Corporations Division within the Office of the Secretary of State strives to provide a business friendly environment and to facilitate commerce by administering state law related to records identifying foreign and domestic corporations, partnerships, limited liability companies and sole proprietors doing business in Vermont; to register trade marks and trade names; and to act as the central filing office for Uniform Commercial Code liens.

The division seeks to pay for its services through the generation of fee and registration revenues; and to contribute additional revenues to the general fund.

Key Indicators:



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corporations**



Story Behind Program Measures:

From FY1999 through FY 2002 the Division worked with the Secretary of State to improve its client service image with a great deal of success. Customer feedback from a variety of informal sources shifted substantially away from the negative to the positive.

Registration response time for routine transactions came down to under three days. Responses to concerns about difficult transactions, such as rejected trade name requests fell as well.

Both these indicators were the direct result of the Division being adequately staffed at five FTEs (up from four).

During this period the number of transactions and total revenues maintained their strength or increased a small percentage.

What Will Be Done to Improve Performance in the Next Two Years:

1. Improve customer satisfaction by: Training or refresher training in professional relations on the phone, in person and internet; reduce further most routine turn around times by migrating as much transactional business to the internet; and support the Secretary of State's Business Advisory Committee as a means of garnering support for innovative solutions to new challenges.
2. Improve the Division's cost to revenue ratio by supporting e-government linkages, supporting electronic signature legislation.
3. * Implementation of fee increases in FY2004 bringing the lowest fees up closer to other States.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corporations

Performance Measures:

	FY00	FY01	FY02	FY03est	FY04est	FY05est
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How Much We Do

Transactions	64,699	65,122	67,074	67,000	67,670	68,350
Receipts	\$2,348,966	\$2,407,897	\$2,350,577	\$2,350,000	* \$2,700,000	\$2,727,000
Hours Worked	12,480	12,480	12,480	12,180	12,180	12,180

How Well We Do It

% Increase(Decrease):

Transactions	-0.5%	0.7%	3.0%	0.0%	1%	1%
Receipts	1.7%	2.5%	-2.4%	0.0%	15%	1%

Is Anyone Better Off

Ratios:

Rec\$ per Transaction	36.31	36.98	35.05	35.05	39.90	39.90
Trans per Hr Worked	5.18	5.22	5.37	5.50	5.56	5.61

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corporations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	304,380	323,203	326,203
Operating Expenses	0	100,000	107,000	109,700
<hr/> TOTAL	<hr/> 0	<hr/> 404,380	<hr/> 430,203	<hr/> 435,903
FUND TYPE				
Special Fund	0	404,380	430,203	435,903
<hr/> TOTAL	<hr/> 0	<hr/> 404,380	<hr/> 430,203	<hr/> 435,903

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

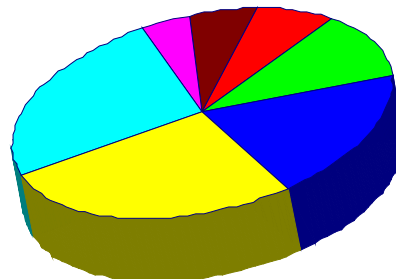
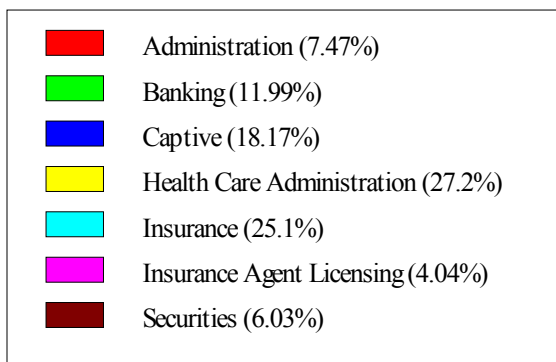
Department Mission Statement

The Department contains the Divisions of Banking, Insurance, Securities and Health Care Administration. The Banking and Insurance Divisions perform financial examinations of the institutions and companies under their jurisdictions. The Insurance and Securities Divisions review the contracts and products being sold to the public, as well as the qualifications and disciplinary history of financial service providers and their sales agents. The Health Care Administration Division regulates and monitors key sectors of Vermont's health care system to ensure that all Vermonters have access to preventive and medically necessary care which is affordable and meets accepted standards for quality. Each of the four Divisions mediate consumer complaints and provide consumer information. Formation and expansion of regulated Vermont companies are subject to Department review, as are rates charged on certain financial service products. The Department has administrative enforcement power to ensure compliance with Vermont laws.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Banking	16	1,114,222	1,303,031	1,332,986	1,325,909
Insurance	19	2,709,059	2,752,099	2,784,614	2,774,830
Captive	17	1,653,194	1,797,878	1,808,835	2,008,160
Administration	0	686,373	757,338	775,803	0
Securities	7	461,426	623,519	632,589	666,432
Health Care Administration	21	2,525,709	2,971,021	3,005,339	3,006,606
Insurance Agent Licensing	5	0	434,305	442,279	446,913
Administration	10	0	0	0	825,257
TOTAL	95	9,149,983	10,639,191	10,782,445	11,054,107
FUND TYPE					
General Fund		524,428	486,513	494,510	476,523
Special Fund		8,625,555	10,152,678	10,287,935	10,577,584
TOTAL		9,149,983	10,639,191	10,782,445	11,054,107



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Banking

Description of Appropriations, Divisions, & Programs

Banking Division activities are organized around three broad program areas.

(1) Supervision which includes issuing charters and licenses as well as conducting examinations and investigations of all regulated entities in such areas as safety and soundness, trust, electronic data processing, e-banking, business practices, and compliance. These organizations are supervised by the Commissioner in a manner to assure the solvency, liquidity, stability and efficiency of all such organizations to assure reasonable and orderly competition thereby encouraging the availability of financial services to the public. The Commissioner has been authorized with a wide range of enforcement alternatives.

(2) Consumer services available to assist any consumer who has questions or concerns about an institution chartered or regulated by the Commissioner. Efforts are made to assist a consumer through problem resolution and intervention with regulated institutions. Examinations and investigations maybe initiated where needed.

(3) Education, which was added with the passage of the new banking law in 2000, centers on providing the public valuable information through brochures, surveys, and public speaking engagements which can be used when making a decision regarding choice of institution or product. Survey results and other information about chartered and licensed entities are available on the Department's web site www.bishca.state.vt.us.

During Fiscal Year 2004, the following state-chartered entities and licensees will be regulated by the Banking Division: Vermont Financial Institutions, Non-Depository Trust Companies, Independent Trust Companies, Credit Unions, Financial Holding Companies, Licensed Lenders, Mortgage Brokers, Debt Adjusters, Sales Finance Companies, Money Transmitters, Check Cashers and Currency Exchangers.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Banking

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	898,596	1,022,981	1,052,936	1,069,968
Operating Expenses	215,626	280,050	280,050	255,941
<hr/> TOTAL	<hr/> 1,114,222	<hr/> 1,303,031	<hr/> 1,332,986	<hr/> 1,325,909
FUND TYPE				
Special Fund	1,114,222	1,303,031	1,332,986	1,325,909
<hr/> TOTAL	<hr/> 1,114,222	<hr/> 1,303,031	<hr/> 1,332,986	<hr/> 1,325,909

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance

Description of Appropriations, Divisions, & Programs

INSURANCE DIVISION STRATEGIC OVERVIEW

The mission of the Insurance Division is to protect the insurance buying public through regulation of those persons and companies engaged in providing insurance to the citizens of Vermont. The Division, through each of its sections, regulates the insurance industry through ongoing financial surveillance, periodic financial and market conduct examinations around the country, rate and policy form review and consumer education and consumer complaint resolution.

The Rate & Forms Section's function is to review and approve policy form and certain rate filings for insurance companies licensed to do business in Vermont. This includes Property & Casualty insurance and Life & Annuity insurance. Approximately 6,000 filings were acted on last year, and approximately \$598,000 in fees were received in connection with these filings. The Rate & Forms Section also monitors and analyzes the insurance market in Vermont in regards to most lines of Property & Casualty insurance, maintains statistical reporting of the industry, provides technical data support to the Consumer Complaints Section and reports and testifies on a wide range of insurance issues to the legislature.

The purpose of the Market Conduct Section is to ensure that insurance companies licensed in the state conduct their business in accordance with Vermont law and treat consumers in a fair and equitable manner. To accomplish this goal, the Insurance Division employs experienced Market Conduct Examiners to perform periodic on-site examinations of the trade practices of insurance companies and licensees that do business in the state. Any activities uncovered by the examination that are not in accordance with Vermont law may lead to an enforcement action, including administrative penalties and orders of restitution. The cost of market conduct examinations to Vermont taxpayers is negligible since Vermont law requires companies and licensees being examined to reimburse the Department for the expense of the examination. Since July 1, 2001, the Insurance Division has initiated market conduct examinations of such major insurers as Metropolitan Life Co., John Hancock Mutual Life, and Bankers Life and Casualty. In addition, the Section completed examinations on National Grange, Liberty Mutual, and Life Investors Ins. Company. As a direct result of our examinations and the related enforcement actions, Vermont policyholders have recovered refunds exceeding \$125,000 and the State has received over \$200,000 in administrative penalties.

The primary goal of the Company Licensing and Examination Section is to ensure that consumers purchase insurance from companies, which are fiscally responsible. The Section licenses and reviews approximately 950 traditional insurance companies conducting business in this state. Of these, 20 are domiciled in Vermont. Traditional insurance companies include property and casualty companies, life and health companies, non-profit health organizations, fraternal organizations, title companies, viatical companies, HMOs, premium finance and service contract companies and continuing care retirement communities. Every three to five years, under the Section's examination program, licensed domestic

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance

companies are visited on site where an in-depth review of their financial position is conducted. Surveillance is also maintained, through required submitted financial statements, on an ongoing base.

The main objective of the Consumer Assistance Section is to provide direct and personal service to the public on resolving consumer complaints. This entails ensuring that the insurance industry adheres to the laws, regulations and bulletins established by the Department to protect the public. This can range from assisting the consumer in getting a claim paid to aiding the consumer in procuring coverage during the hard market which we are now experiencing. The Section provides consumer education and guidance, comparative information about rates and forms in the marketplace, various consumer guide publications and on site attendance at a variety of fairs and shows to assist on an outreach basis. In 2002, the Section logged approximately 14,000 telephone calls for assistance, opened over 970 complaints, answered an additional 223 written inquires and recovered approximately \$1.6 million for consumers through problem solving resolution and intervention with companies.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,312,575	2,292,693	2,325,208	2,301,930
Operating Expenses	396,484	459,406	459,406	472,900
<hr/> TOTAL	<hr/> 2,709,059	<hr/> 2,752,099	<hr/> 2,784,614	<hr/> 2,774,830
FUND TYPE				
Special Fund	2,709,059	2,752,099	2,784,614	2,774,830
<hr/> TOTAL	<hr/> 2,709,059	<hr/> 2,752,099	<hr/> 2,784,614	<hr/> 2,774,830

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Captive

Description of Appropriations, Divisions, & Programs

Captive Insurance Section of the Insurance Division Strategic Overview

The Captive Insurance Section of the Insurance Division is charged with licensing and examining captive insurance companies domiciled in Vermont. A captive insurer is a company, which is owned, and managed by its policyholders, thereby enhancing the company's desire and ability to control costs and tailor its insurance program to suit its individual needs. Vermont has evolved a regulatory system to ensure the solvency of captives while recognizing the special purpose for which they were created. The number of captives in Vermont continues to grow.

There are 443, resulting in 68 more than the prior year, active captive insurance companies licensed in this state. Vermont remains the country's premier domicile for captive insurance. The Captive Insurance Section is charged with licensing and examining these insurers to ensure their financial solvency. The Section collects fees for their licensing and examination activities. Captive insurers create jobs and also generate premium taxes for the state; in FY2002 the Captive Insurance Industry remunerated approximately \$12,700,000 in premium taxes to Vermont.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,398,427	1,475,380	1,486,337	1,713,513
Operating Expenses	254,767	322,498	322,498	294,647
<hr/> TOTAL	<hr/> 1,653,194	<hr/> 1,797,878	<hr/> 1,808,835	<hr/> 2,008,160
FUND TYPE				
Special Fund	1,653,194	1,797,878	1,808,835	2,008,160
<hr/> TOTAL	<hr/> 1,653,194	<hr/> 1,797,878	<hr/> 1,808,835	<hr/> 2,008,160

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration**

Description of Appropriations, Divisions, & Programs

Administration Division

The Administration Division of Banking, Insurance, Securities, and Health Care Administration is responsible for the general management of the Department.

The Division employs ten staff and includes the Commissioner, General Counsel, Assistant General Counsel, Business Manager/Personnel Officer, Information Officer, IT Staff and the Commissioner's assistant/payroll officer and front desk receptionist.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	668,794	708,586	727,051	774,090
Operating Expenses	17,579	48,752	48,752	51,167
<hr/> TOTAL	<hr/> 686,373	<hr/> 757,338	<hr/> 775,803	<hr/> 825,257
FUND TYPE				
Special Fund	686,373	757,338	775,803	825,257
<hr/> TOTAL	<hr/> 686,373	<hr/> 757,338	<hr/> 775,803	<hr/> 825,257

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Securities

Description of Appropriations, Divisions, & Programs

Securities Division

Mission

The mission of the Securities Division is to protect Vermont investors from fraudulent investment schemes and thus to help promote the legitimate formation of capital in this state. The Division fulfills this mission through four main regulatory activities: 1) review and approval of securities offered to Vermont investors; 2) licensing of securities dealers and investment advisors; 3) enforcement of the anti-fraud provisions of the Vermont Securities Act; and 4) responding to consumer complaints and providing education to the investing public.

The Division employs seven staff members, including a Deputy Commissioner, two enforcement attorneys, two securities examiners who review proposed securities offerings and investigate alleged violations of the Vermont Securities Act, a systems administrator who oversees the licensing of over 65,000 securities dealers and investment advisors in the state, and a program services clerk.

In FY 2002, the Division's revenue from all sources, including fines and licensing fees, exceeded \$11.5 million. The Division anticipates a significant increase in fine revenue for FY 2003 as a result of its participation along with other state and federal securities regulators in a nationwide investigation of improper research practices at Merrill Lynch and other major brokerage firms.

During the coming calendar year, the Division plans to significantly increase its investor education activities by developing programs aimed at increasing the financial sophistication of two high priority groups, senior citizens and teenagers.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	378,731	486,869	495,939	541,732
Operating Expenses	82,695	136,650	136,650	124,700
<hr/> TOTAL	<hr/> 461,426	<hr/> 623,519	<hr/> 632,589	<hr/> 666,432
FUND TYPE				
Special Fund	461,426	623,519	632,589	666,432
<hr/> TOTAL	<hr/> 461,426	<hr/> 623,519	<hr/> 632,589	<hr/> 666,432

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Care Administration**

Description of Appropriations, Divisions, & Programs

Mission

The mission of the Division of Health Care Administration is to foster a high quality health care system that all Vermonters can have access to, which is affordable and meets accepted equitable standards for quality. This mission is accomplished by balancing regulations, consumer services, policy development, and education.

The Division is aligned into 5 main programs to carry out the responsibilities of the law. These programs consist of both staff and contractual expertise to implement and operate a variety of diverse activities. The following describes the major activities the Division performs to meet its mission and the law.

Profile of Programs/Functions

Data, Information and Research

Under the provisions of 18 V.S.A. ? 9410, HCA is charged with maintaining a unified health care database to support research about the financing, delivery and quality of health care services offered to Vermonters. HCA analyzes data from health care providers, payers, and health insurance carriers to produce reports about how much money is spent on health care in the state and on state residents, what type and how much is delivered on statewide and sub-population levels, and topics of interest to public and private stakeholders in Vermont's health care system. Current efforts include: preparation of the Annual Vermont Health Care Expenditure Analysis; management and analysis of the Vermont Medicare Beneficiary Claims Database; management and analysis of the Annual Statement Supplement Report Database quantifying Vermont's fully insured market; dissemination of findings from the 2000 Vermont Family Health Insurance Survey; administration of the Vermont Hospital Inpatient Discharge and Outpatient Database; and preparation of ad hoc analyses as requested by the Commissioner and policy makers.

Managed Care Quality Improvement

Under the provisions of Title 18 V.S.A ? 9414, the HCA is responsible for regulatory and monitoring activities related to assuring quality of care for Vermonters enrolled in managed care plans. Managed care plans and mental health review agents must pass reviews of their quality assurance programs when applying for a state license. On an ongoing basis, HCA monitors consumer concerns about the care being provided by managed care companies. Current activities include review of managed care plans under Rule 10 to meet certain standards for quality and consumer protection through formal reviews and special investigations, contracting with the Vermont Program for Quality in Health Care (VPQHC) to maintain a statewide quality improvement system, and the operation of a comprehensive consumer

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Care Administration

services support program to answer inquiries and complaints. This effort includes a contract to establish a Health Care Ombudsman that can serve as a patient advocate.

External Appeals Program

The Legislature established the Independent Panel of Mental Health Providers to hear appeals of mental health and substance abuse denials in 1996, and later added an external appeals program for other types of health care service denials, which became operational in July, 1999. These programs ensure that Vermonters have the right to independent medical review based on objective clinical evidence when their health insurers deny services on medical necessity and other clinical grounds. The Division administers both programs. That work includes recruitment, orientation and administrative and legal support for the volunteer Independent Panel, issuing RFPs and contracting with independent review organizations, responding to and assessing consumer inquiries, processing inquiries and applications and administering the appeals process for each case, and educating consumers and others about appeal rights. The program has historically received approximately 10 formal Independent Panel and 20 formal independent external review applications annually and has reviewed, evaluated and problem-solved many more related consumer inquiries. The responsible Division staff member is on call 24 hours a day/7 days per week to ensure access to independent review of denials of urgently needed care.

Cost Containment and Forecasting

The public fiscal oversight provided through the division's regulatory activities is focused on maintaining reasonable controls over health care expenditures and encouraging development of non-duplicated and cost-effective health care services while protecting access to and quality of care. Specifically, HCA:

- a) As required by 18 VSA 9451 et seq., establishes the Vermont hospital budgets on an annual basis which determines each hospital's spending level for that year,
- b) Reviews budgets to determine whether a hospital operated within its approved budget level established in the prior year,
- c) As required by 18 VSA 9431 et seq., approves or disapproves expenditures for new institutional health services which exceed specific dollar amounts or review of proposals as mandated by Certificate of Need (CON) laws,
- d) As required by 18 VSA 9431 develops three-year projections of health care expenditures, using the Vermont Expenditure Analysis, and,
- e) Then adopts an annual unified health care budget to serve as an informational guide for controlling costs, directing resources and assuring quality and access.

Much of this work includes the comments and input provided by the Public Oversight Commission and any public comment that is received during the POC public hearings.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Care Administration

Health Insurance Rate Review and Form Filings

Review of health insurance rate proposals and form filings is also part of HCA's duties (8 VSA Chapter 107). Health insurance rate and form filings number over 1,100 in a given year and include those pertaining to traditional indemnity plans, managed care plans, disability plans, accident plans, and various supplemental insurance products (such as Medicare Supplement). Form filings, which describe the coverage a given plan will provide to the consumer, require staff to review a plan's documents to determine whether they are in compliance with Federal and State statutes and regulations and to ensure that they are written so that the consumer can understand his or her coverage. Rate approval includes analysis of key assumptions used to determine the need for rate increases, taking the financial status of the company and its performance in a specific market into consideration. Analysis includes services purchased from actuaries as well as internal staff review. In the case of certain Medicare Supplement rate requests, the Division administers an extensive statutory process that includes public informational hearings. Approval of a rate filing is determined upon the adequacy of the rate, that the rate is not excessive, and is not discriminatory.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Care Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,187,665	2,593,646	2,627,964	2,641,041
Operating Expenses	338,044	377,375	377,375	365,565
<hr/> TOTAL	<hr/> 2,525,709	<hr/> 2,971,021	<hr/> 3,005,339	<hr/> 3,006,606
FUND TYPE				
General Fund	524,428	486,513	494,510	476,523
Special Fund	2,001,281	2,484,508	2,510,829	2,530,083
<hr/> TOTAL	<hr/> 2,525,709	<hr/> 2,971,021	<hr/> 3,005,339	<hr/> 3,006,606

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance Agent Licensing

Description of Appropriations, Divisions, & Programs

Producer Licensing Section of the Insurance Division Strategic Overview

The individual Licensing Section of the Insurance Division issues 15 different types of licenses on a biennial basis. The primary purpose of the Licensing Section is to protect Vermonters by ensuring that only qualified individuals are licensed in Vermont. In addition to this mission, the Section also provides the insurance industry with excellent and timely service so that the business of insurance using licensees is uninterrupted. In fiscal year 2003, the Section estimates that it will collect over \$6.2 million in license and appointment fees.

The Section is undergoing a significant amount of change. This change is regarding both the state requirements for licensure of certain license types and the systems and processing used to administer the issuance and renewal of licenses.

Vermont law was amended in 2001 to establish a new license type called "producer." The license type became effective on July 1, 2002. The producer license replaces the previous license types of "agent and broker." The new law does not change the requirement that individuals who sell on behalf of insurers (called producers under the new law) must be appointed through the state by companies for who they act as an agent. The section currently licenses over 25,000 producers that possess over 100,000 appointments.

A further change to Vermont law is the addition of a continuing education requirement for Vermont producers. As of year-end 2002, 17,466 producers had completed the continuing education requirement necessary for the renewal of a producer's license.

In addition to implementing this new law, the Section is currently completing a systems- wide conversion onto a new software system. As a result of this conversion the Section is achieving greater efficiency managing the licensing process. Service quality is continuing to improve by shortening the length of time needed to obtain a license. In addition, as a result of the conversion the Section can participate in a national database that will enable the electronic processing of certain license types.

The Section has seen a significant increase in the number of licensees and appointments over the past five years. Notwithstanding this increase, the Section is maintaining its performance measure of processing new applications and appointments within ten working days from the date of receipt as a result of the new systems conversion and the advent of electronic license and appointment issuance.

It is difficult to predict future licensing activity and revenue. Although the number of licenses and appointments has increased for many years, it is unclear why this has occurred. Certainly, there has not been a commensurate increase in the number of insurance policies sold to Vermonters. The increase may be attributable to the increased competition within the financial industry and changes in how

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance Agent Licensing

insurers produce insurance. However, going forward it is unclear whether licensing activity will continue to increase or actually begin to decline. The effects of the new producer law and continuing education requirement may depress license demand. On the other hand, as a result of the section's systems initiatives, it is much easier and faster to process a license.

In light of this uncertainty, based upon current data, the section is forecasting relatively flat revenue of \$6.2 million of revenue in 2003 associated with producer licenses and appointments renewing in 2003 (producer licenses and appointments renew in odd years) and \$3 million of revenue in 2004 for other license categories (other license types renew in even years) renewing in 2004.

Performance Program Information

Strategies:

1. Maintain and improve performance in the face of an increasing demand for licenses.
2. Maintain high level of review of new applicants to ensure they qualify for licensure.
3. Continue to investigate actions against existing licensees and take appropriate action.
4. Gain efficiencies by passing and implementing model legislation for licensure.
5. Participate with national database for licensure.

Performance Measures:

Benchmark for issuance of new licenses:

*To process new application with ten working days from date of receipt (during biennial renewal cycle)

Projected volume of license requests:

*To process new applications for appointments within 30 working days from date of receipt (during biennial renewal cycle)

Improve Performance:

1. Implement model legislation for licensure.
2. Develop reciprocal strategies for licensure with other states.
3. Implement new software for processing licenses.
4. Develop electronic processes for license issuance.
5. Continue to scrutinize processes for ways to streamline and simplify the licensing process.

FY2003 Key Budget Issues:

At some point if the rate of increase of license requests continues the Insurance Division will likely be unable to maintain the level of performance it has set for the Agent Licensing Section without additional staff, exuberantly due to this continuing large percentage of growth. Over the past five years the number of licenses issued by this section has more than doubled. While there is no way to project the percentage of future growth, and even with program improvements, additional staff may inevitably be needed to maintain benchmark objectives.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance Agent Licensing

FY2003 Budget:

Budget estimates for the Agent/Broker Licensing Section are based on the number of employees per section of the Insurance Division. This percentage of the Insurance Division's total budget is estimated at 15%. Please note that this estimate will adjust to a more accurate estimate as future tracking per section is maintained.

Results:

The purpose of the Agent/Broker Licensing Section is to ensure that only qualified individuals are licensed in Vermont. It's mission is also to provide industry with timely services so that the business of insurance using producers is uninterrupted.

Key Indicators:

Story Behind Baseline Performance:

Over the past five years this section has seen an extraordinary increase in the number of licenses and appointments issued. As measured by revenue (license fees have remained constant, although the Insurance Division is now issuing biennial licenses and charging twice what it did when it issued annual licenses) the volume of business has more than doubled over the past five years. The increasingly national nature of insurance sales, together with financial modernization and an expanding economy, has contributed to this increase in license requests. The Insurance Division has managed this increase with the addition of only one staff member. At some point the increase of licenses should level off, but when that will occur can only be a guess. To manage the projected pattern of growth in demand, based on past growth percentages, the Insurance Division will seek more streamline assistance to increase existing performance, such as reviewing the effectiveness of using National databases and electronic processes to objectively handle a greater number of transactions.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Insurance Agent Licensing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	302,214	310,188	356,013
Operating Expenses	0	132,091	132,091	90,900
<hr/> TOTAL	<hr/> 0	<hr/> 434,305	<hr/> 442,279	<hr/> 446,913
FUND TYPE				
Special Fund	0	434,305	442,279	446,913
<hr/> TOTAL	<hr/> 0	<hr/> 434,305	<hr/> 442,279	<hr/> 446,913

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Safety

Department Mission Statement

The mission of the Department of Public Safety is to provide law enforcement, criminal justice systems support and emergency preparedness planning and training programs for the State of Vermont.

The Department of Public Safety was created by No. 163 of the Acts of 1947 for the "purpose of consolidating certain existing police and investigative agencies, and to promote the detection and prevention of crime generally." No. 224 of the Acts of 1951 created the Division of Civil Defense (now Vermont Emergency Management) within the Department of Public Safety. In 1996, the Governor's Highway Safety Program, inclusive of funds and personnel, was transferred from the Agency of Transportation to the Department of Public Safety by Executive Order No. 01-96A (the Acts of 1996 page 1007).

Description of Appropriations, Divisions, & Programs

The uniformed division of State Police provides the primary police services for approximately 46% of the state population on a full time basis. In geographic terms, this includes roughly 200 towns that account for 89% of the total land area of Vermont. In addition to the traditional police services of traffic enforcement and the investigation of crimes, uniformed officers enforce snowmobile laws and recreational boating laws. State Police also provide support to local departments through their special teams programs (Dive Team, Crowd Control, Explosive Ordnance Disposal, Hostage Negotiation, etc.). Dispatch services for local police departments, rescue squads and ambulance services are another service of State Police statewide. According to statistical data provided by the U.S. Department of Justice, Bureau of Justice Statistics, Vermont ranked second nationally behind Delaware in the total number of State Police Officers per 10,000 population. However, Vermont was next to last in terms of total sworn officers per 10,000 population. The significance of this data is demonstrative of the very rural character of Vermont where Vermont State Police are the primary or sole providers of law enforcement services for a significant segment of the population and also cover the major share of land area as well. Taken out of context, the number of full time sworn State Police Officers per 10,000 population does not accurately convey the level of responsibility placed on the Vermont State Police as the primary provider of police services throughout Vermont. Numbers themselves also fail to address the many differences among comparable agencies regarding the level of services that they offer within their respective jurisdictions. A valuable reference is the Federal Bureau of Investigation CRIME IN THE UNITED STATES - 1998, Section VI, LAW ENFORCEMENT PERSONNEL. Criminal Investigators (including the Arson Unit) provide their services on a statewide basis, providing technical assistance and investigative services to all local law enforcement agencies upon request. The BCI, as they are commonly referred to, are involved with the most serious and difficult crimes. Broad categories of criminal investigations include sexual assaults, arson, fraud, homicide and drug abuse investigations.

Criminal Justice Services is responsible for the operation of the statewide microwave and voice radio

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Safety

systems. Evidence analysis is available from the Forensic Laboratory serving all law enforcement agencies in Vermont. The Vermont Crime Information Center (VCIC), the state central repository for criminal information, is also managed within the Criminal Justice Services Division. CJS is not a division of State Police but a stand-alone division of the department.

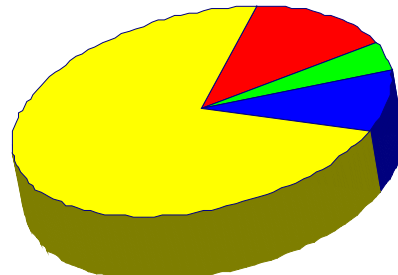
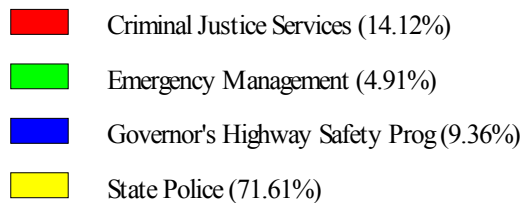
Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of Federal, State and local resources in disaster response and recovery. With a professional staff of thirteen, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness, hazardous materials compliance and response and disaster prevention planning. In addition, VEM staffs the state warning point, coordinating the assessment of response to the daily hazard incidents that occur in the state. The key to VEM's success, however, lies in the forging of partnerships with a wide range of Federal, state, regional, local and private sector entities that augment the core mission of the agency.

The Governor's Highway Safety Program offers funding to state and local jurisdictions designed to reduce the incidence of death, injury and property damage on Vermont's highways.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Safety

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
State Police	478	37,051,541	39,609,714	40,872,082	46,242,182
Criminal Justice Services	60	10,251,835	9,423,594	9,599,950	9,120,286
Emergency Management	15	2,867,216	3,421,832	4,020,811	3,169,366
Governor's Highway Safety Prog	5	0	4,981,186	4,981,186	6,043,112
TOTAL	558	50,170,592	57,436,326	59,474,028	64,574,946
FUND TYPE					
General Fund		7,806,119	14,366,063	14,631,635	16,464,811
Transportation Fund		25,462,100	21,307,070	22,121,044	22,405,455
Special Fund		4,646,203	3,670,743	4,628,900	6,011,751
Federal Revenue Fund		10,243,965	16,293,577	16,293,577	18,312,005
Interdepartmental Transfer		2,012,205	1,798,873	1,798,873	1,380,924
TOTAL		50,170,592	57,436,326	59,474,029	64,574,946



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Police

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	31,202,202	31,408,341	32,427,736	35,000,755
Operating Expenses	4,173,495	6,107,908	6,320,188	8,737,075
Grants	1,675,844	2,093,465	2,124,158	2,504,352
TOTAL	37,051,541	39,609,714	40,872,082	46,242,182
FUND TYPE				
General Fund	7,563,750	14,222,133	14,469,251	16,320,881
Transportation Fund	21,260,223	17,357,645	18,160,615	18,587,780
Special Fund	3,354,717	2,661,652	2,873,932	3,487,976
Federal Revenue Fund	3,577,371	4,190,709	4,190,709	7,088,511
Interdepartmental Transfer	1,295,480	1,177,575	1,177,575	757,034
TOTAL	37,051,541	39,609,714	40,872,082	46,242,182

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,444,724	4,259,969	4,259,969	4,382,389
Operating Expenses	2,504,243	4,684,725	4,861,081	4,258,997
Grants	3,302,868	478,900	478,900	478,900
<hr/> TOTAL	<hr/> 10,251,835	<hr/> 9,423,594	<hr/> 9,599,950	<hr/> 9,120,286
FUND TYPE				
General Fund	135,000	95,000	95,000	95,000
Transportation Fund	4,137,908	3,580,878	3,591,882	3,580,878
Special Fund	722,749	457,818	623,170	623,470
Federal Revenue Fund	4,582,452	4,668,600	4,668,600	4,198,048
Interdepartmental Transfer	673,726	621,298	621,298	622,890
<hr/> TOTAL	<hr/> 10,251,835	<hr/> 9,423,594	<hr/> 9,599,950	<hr/> 9,120,286

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Emergency Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,203,971	1,022,640	1,258,858	1,401,979
Operating Expenses	599,307	1,149,945	1,512,706	732,483
Grants	1,063,938	1,249,247	1,249,247	1,034,904
<hr/> TOTAL	<hr/> 2,867,216	<hr/> 3,421,832	<hr/> 4,020,811	<hr/> 3,169,366
FUND TYPE				
General Fund	107,369	48,930	67,384	48,930
Transportation Fund	63,969	63,969	63,969	63,969
Special Fund	568,737	420,523	1,001,048	1,355,409
Federal Revenue Fund	2,084,142	2,888,410	2,888,410	1,700,058
Interdepartmental Transfer	42,999	0	0	1,000
<hr/> TOTAL	<hr/> 2,867,216	<hr/> 3,421,832	<hr/> 4,020,811	<hr/> 3,169,366

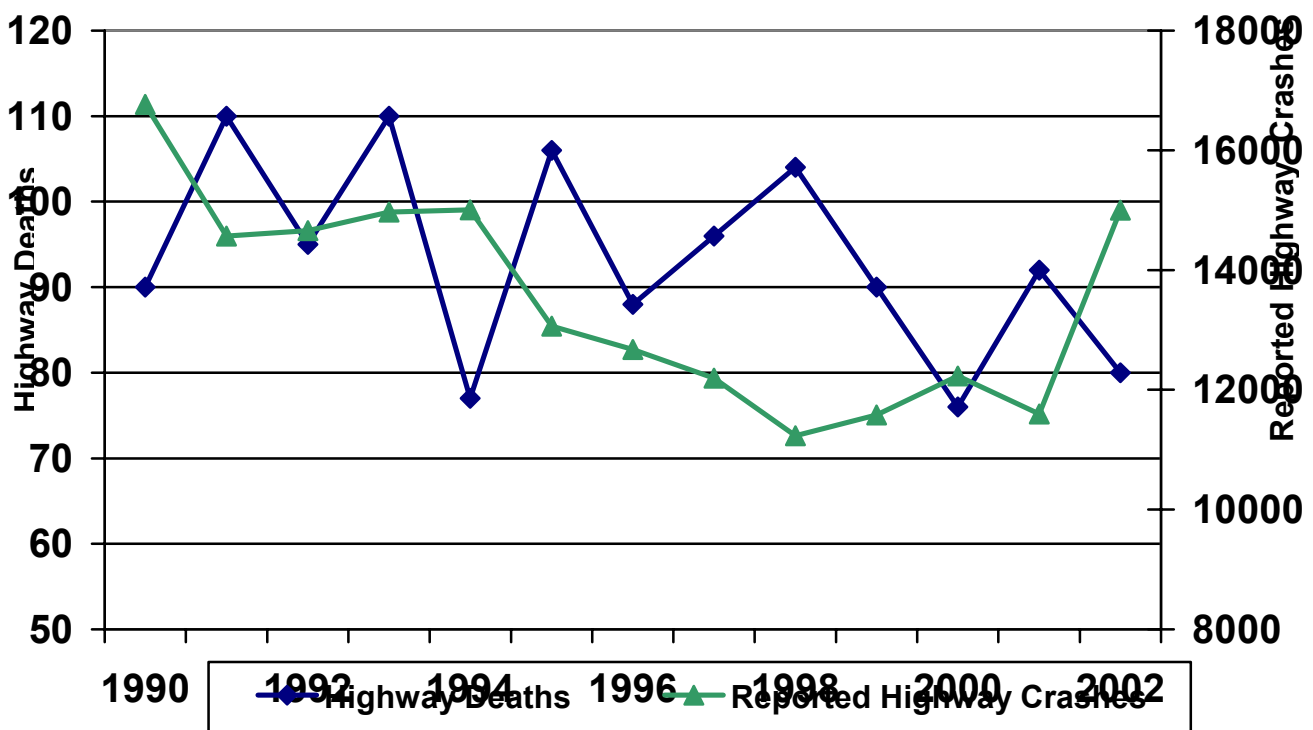
**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Highway Safety Prog**

Performance Program Information

Program Outcome Statement

The Division of Criminal Justice Services, Governor's Highway Safety Program exists to increase public awareness of highway-related risks and promote highway safety countermeasures to reduce death, injury and property damage on roadways.

Headline Measures



The chart above represents the total number of highway deaths and the total number of all reported highway crashes. The spike in highway crashes in 2002 is anticipated to be a result of increased reporting and we believe that the increases in crashes will be seen in property damage only crashes.

Story Behind the Baseline Performance

The Governor's highway safety program has worked since its inception to reduce death and injury on our highways. However, it has only been in the last decade that increased attention has been paid to

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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Highway Safety Prog

drinking and driving behavior and seat belt usage, which has resulted in a marked decrease in highway fatalities since the 1980's. Some of the significant initiatives that have contributed to this decline include increased funding in the latter half of the 1990's, the passage of per se .08 BAC legislation in 1991 and the passage of Vermont's secondary enforcement safety belt legislation in 1993. In 1998 the legislature passed ACT 117 and act relating to DUI. This legislation also has contributed to the increased enforcement and awareness around drinking and driving behavior and is expected to assist in further reducing our alcohol related deaths and injuries.

The numbers suggest that as the dollars available for highway safety increase, the likelihood of reducing traffic fatalities increases. We have seen an increase in registered vehicles, an increase in licensed drivers, an increase in vehicle miles traveled while experiencing a declining trend in reported crashes and traffic deaths.

Performance goals that will impact the program statement include;

- Reduce the number of alcohol-related fatal crashes to 30 by 2005 (3 year average).
- Reduce alcohol-related crashes to less than 1.00 per 1000 population by 2005 (3 year average).
- Increase the safety belt use rate in Vermont to 70% by 2005.
- Reduce the proportion of crashes with speed as the cause to 18% by 2005.

The Governor's Highway Safety Program needs to continue to work to reduce injuries and deaths related to traffic crashes. The collaborating efforts with other highway safety partners is crucial to program success. Work needs to continue on increasing traffic safety awareness through press releases and media attention. We need to continue our efforts with implementing Act 117 and reporting back to the legislature next year on the outcomes of our 5 year effort. Finally, the State of Vermont needs to debate and pass a standard seat belt law and aggressively publicize the benefits and penalties of not wearing safety belts.

What will be done to improve performance over the next two years

The Governor's Highway Safety Program will meet performance targets by doing the following:

Continue to promote highway safety initiatives to reduce death, injury and property damage on roadways.

- Develop a 5 year report on the status of Act 117 (1998) implementation.
- Actively work with Vtrans and Department of Health to collaborate on enforcement, education and engineering initiatives to promote highway safety.
- Continue the granting of Special DUI Funds for increased DUI enforcement.
- Increase public awareness of highway safety issues through increased use of PSA's.
- Develop at least 2 more Community Traffic Safety Programs.
- Conduct at least 3 highly viable enforcement programs with paid media.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Highway Safety Prog

Performance Measures	1999	2000	2001	2002
What/How Much We Do				
GHSP Grants dollars in the following programs.				
Alcohol Programs	\$ 513,500	\$ 478,500	\$2,455,110	\$2,615,560
Occupant Protection	\$ 100,500	\$ 176,100	\$1,384,311	\$1,644,261
Child Passenger Safety	\$ 81,500	\$ 144,500	\$ 199,925	\$ 227,440
Emergency Medical Services	\$ 14,000	\$ 15,000	\$ 18,000	\$ 20,000
Ped/Bcy	\$ 15,500	\$ 10,500	\$ 28,450	\$ 23,500
Speed	\$ 21,000	\$ 83,500	\$ 141,250	\$ 514,915
Traffic Records	\$ 28,000	\$ 32,000	\$ 512,860	\$ 513,650
Totals	\$ 774,000	\$ 940,100	\$3,356,979	\$5,559,326

	1996-98**				
How Well We Do It	Base-Years	1999	2000	2001	2002
Crash Data Information	Average				
Total Highway Deaths	96.0	92	76	92	80
Total Injury Crashes*	2,165.3	1,889	1,892		
Total Property Crashes*	1,992.0	1,623	1,494		
Total Alcohol Related Deaths	36.3	35	32	32	

Is Anyone Better off?

Number plus or minus from base years

Average

Total Highway Deaths	-4	-20	-4	-16
Total Injury Crashes*	-276.3	-273.3		
Total Property Crashes*	-369.0	-498.0		
Total Alcohol Related Deaths	-1.33	-4.33	-4.33	
Percent Change from base years average				
Total Highway Deaths	-4.2%	-20.8%	-4.2%	-16.7%
Total Injury Crashes*	-12.8%	-12.6%		
Total Property Crashes*	-18.5%	-25.0%		
Total Alcohol Related Deaths	-3.7%	-11.9%	-11.9%	

* Police Reported

**This column represents the average numbers for the years 1996 -1998. Years 1999, 2000, 2001 and 2002 should be compared against this average. 2002 and some 2001 statistics are not available due to delayed crash reporting.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Governor's Highway Safety Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	855,084	855,084	964,997
Operating Expenses	0	300,536	300,536	317,722
Grants	0	3,825,566	3,825,566	4,760,393
<hr/> TOTAL	<hr/> 0	<hr/> 4,981,186	<hr/> 4,981,186	<hr/> 6,043,112
FUND TYPE				
Transportation Fund	0	304,578	304,578	172,828
Special Fund	0	130,750	130,750	544,896
Federal Revenue Fund	0	4,545,858	4,545,858	5,325,388
<hr/> TOTAL	<hr/> 0	<hr/> 4,981,186	<hr/> 4,981,186	<hr/> 6,043,112

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Department Mission Statement

The Vermont Department of Agriculture, Food and Markets consists of four divisions and 88 employees. The Department's mission is to protect animal health and welfare and the public health, maintain and improve environmental quality, maintain and support the viability of the Vermont agricultural industry and ensure consumer equity in commerce.

Description of Appropriations, Divisions, & Programs

The Administration Division:

Provides oversight and direction for the entire Department. In addition, it conducts agricultural land use planning, develops the biennial report and provides business and research for the entire Department.

The Plant Industry Division serves to:

Assure Vermont crops are free of injurious pests by providing technical assistance, quarantine activities, field and shipping point inspections and crop and pest monitoring activities.

Protect groundwater and surface water quality from agricultural non-point source pollution by enforcing accepted agricultural practices, pesticide regulations, providing technical and financial assistance to the farm community and administering the permit process for large farms.

Protect public health and the environment from the adverse affects of pesticide products through training, licensing, monitoring, disposal grants, enforcement, education and product registration for pesticide applicators, dealers, manufacturers, and the general public.

Provide mosquito districts or municipalities with financial and technical assistance, such as, adult and larval surveys and assistance for control programs in order to reduce mosquito populations below nuisance population levels or levels capable of vectoring disease.

Protect Vermont's domestic bee populations from injurious insect and disease pests through technical assistance, hive inspection and quarantine programs.

Register, inspect and analyze commercial feed and pet food products, commercial feed facilities, commercial and specialty fertilizer products and facilities, and seed products to assure they meet standards and their stated guarantees.

Provide serological, microbiological and chemical analysis of Vermont's agricultural products, agricultural inputs and environmental samples in support of the Department's regulatory and technical assistance programs

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

The Food Safety and Consumer Assurance Division serves to:

Insure that all facilities processing meat and poultry for intrastate commerce are inspected to certify proper ante mortem and post mortem procedures are performed and sanitary standards are maintained.

Assure only inspected and passed meat and poultry products are commercially distributed and to investigate illegal or improper sales and consumer complaints.

Assure that only wholesome, unadulterated and truthfully labeled products reach Vermont consumers.

Assure those establishments not subject to traditional inspection (wholesalers, retailers and custom operations) are periodically reviewed for sanitary condition, proper labeling, and handling.

Prevent the adulteration of meat and poultry products by the indiscriminate use of antibiotics through an agreement with the Federal Drug administration.

Insure that species, such as rabbits and game birds, that are not normally inspected are processed in a sanitary facility when they are to be sold to restaurants in Vermont. This is done in conjunction with the Department of Health.

Assure an adequate supply of pure fresh milk and maintain uniform dairy standards.

Establish appropriate dairy laws to protect the public health and welfare.

Improve the economy of the state and competitive position of the dairy industry by increasing the consumption of dairy products.

Promote and protect the health and welfare of animals in the state of Vermont and enhance the viability of our animal industries.

Protect public health, maintain and improve the integrity of Vermont agricultural products.

The Agricultural Development Division:

Supports agricultural industry development by providing leadership, technical expertise and marketing assistance. This is to ensure that all Vermont producers have access to profitable markets in order to improve the economic well being of farmers and processors of agricultural products, while maintaining the character, integrity, and traditions of Vermont Agriculture.

The Stipend Fund:

Is used to make awards to agricultural fairs and field days to encourage agricultural events.

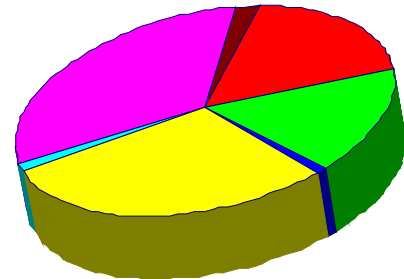
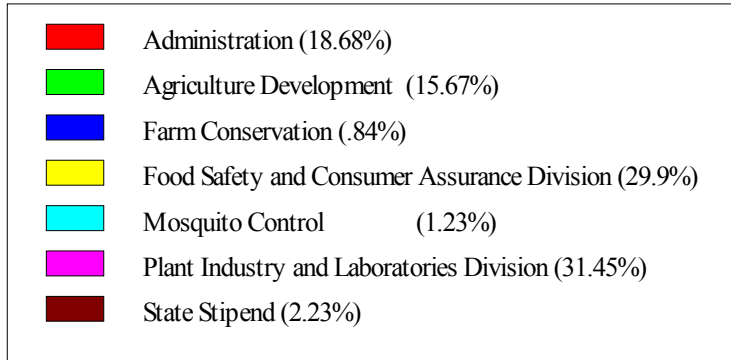
The Mosquito Fund is used to provide assistance to mosquito control districts, oversee larviciding and provide related training.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	10	1,330,781	1,609,574	1,628,506	1,370,063
Food Safety and Consumer Assurance	36	1,616,645	2,120,683	2,172,906	2,193,355
Agriculture Development	10	1,432,981	1,060,204	1,076,175	1,149,396
Plant Industry and Laboratories	32	2,590,782	2,191,960	2,242,963	2,306,881
State Stipend	0	163,257	163,500	163,500	163,500
Mosquito Control	0	97,074	90,000	90,000	90,000
Farm Conservation	1	0	43,775	45,206	61,323
TOTAL	89	7,231,520	7,279,696	7,419,256	7,334,518
FUND TYPE					
General Fund		3,373,362	3,724,688	3,800,853	3,818,615
Transportation Fund		45,012	45,824	47,022	47,993
Special Fund		1,836,494	1,968,705	2,002,873	2,126,928
Federal Revenue Fund		1,479,856	1,085,383	1,105,984	837,438
Interdepartmental Transfer		496,796	455,096	462,524	503,544
TOTAL		7,231,520	7,279,696	7,419,256	7,334,518

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	612,518	611,075	630,007	578,804
Operating Expenses	120,125	290,165	290,165	367,925
Grants	598,138	708,334	708,334	423,334
<hr/> TOTAL	<hr/> 1,330,781	<hr/> 1,609,574	<hr/> 1,628,506	<hr/> 1,370,063
FUND TYPE				
General Fund	854,745	1,206,107	1,222,122	1,215,586
Special Fund	74,674	13,722	14,247	14,732
Federal Revenue Fund	272,291	254,211	256,603	4,211
Interdepartmental Transfer	129,071	135,534	135,534	135,534
<hr/> TOTAL	<hr/> 1,330,781	<hr/> 1,609,574	<hr/> 1,628,506	<hr/> 1,370,063

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Food Safety and Consumer Assurance Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	1,347,410	1,843,898	1,896,121	1,902,255
Operating Expenses	227,313	275,293	275,293	289,608
Grants	41,922	1,492	1,492	1,492
TOTAL	1,616,645	2,120,683	2,172,906	2,193,355
FUND TYPE				
General Fund	1,034,319	1,221,619	1,253,676	1,302,808
Transportation Fund	0	45,824	47,022	47,993
Special Fund	62,435	343,833	351,096	350,547
Federal Revenue Fund	512,969	497,407	509,112	485,007
Interdepartmental Transfer	6,922	12,000	12,000	7,000
TOTAL	1,616,645	2,120,683	2,172,906	2,193,355

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agriculture Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	619,873	599,557	615,528	651,372
Operating Expenses	543,988	234,805	234,805	438,182
Grants	269,114	225,842	225,842	59,842
Non Operating Exp Budget	6	0	0	0
<hr/> TOTAL	<hr/> 1,432,981	<hr/> 1,060,204	<hr/> 1,076,175	<hr/> 1,149,396
FUND TYPE				
General Fund	591,429	564,214	577,083	547,528
Special Fund	343,475	395,988	397,122	451,447
Federal Revenue Fund	398,216	0	0	0
Interdepartmental Transfer	99,861	100,002	101,970	150,421
<hr/> TOTAL	<hr/> 1,432,981	<hr/> 1,060,204	<hr/> 1,076,175	<hr/> 1,149,396

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Plant Industry and Laboratories Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,007,898	1,814,045	1,865,048	1,922,081
Operating Expenses	492,205	377,915	377,915	384,800
Grants	90,679	0	0	0
<hr/> TOTAL	<hr/> 2,590,782	<hr/> 2,191,960	<hr/> 2,242,963	<hr/> 2,306,881
FUND TYPE				
General Fund	729,612	569,248	584,472	589,193
Transportation Fund	45,012	0	0	0
Special Fund	1,258,836	1,081,387	1,105,202	1,158,879
Federal Revenue Fund	296,380	333,765	340,269	348,220
Interdepartmental Transfer	260,942	207,560	213,020	210,589
<hr/> TOTAL	<hr/> 2,590,782	<hr/> 2,191,960	<hr/> 2,242,963	<hr/> 2,306,881

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Stipend

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	163,257	163,500	163,500	163,500
TOTAL	163,257	163,500	163,500	163,500
FUND TYPE				
General Fund	163,257	163,500	163,500	163,500
TOTAL	163,257	163,500	163,500	163,500

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Mosquito Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	17,908	0	0	20,000
Operating Expenses	79,166	0	0	70,000
Grants	0	90,000	90,000	0
<hr/> TOTAL	<hr/> 97,074	<hr/> 90,000	<hr/> 90,000	<hr/> 90,000
FUND TYPE				
Special Fund	97,074	90,000	90,000	90,000
<hr/> TOTAL	<hr/> 97,074	<hr/> 90,000	<hr/> 90,000	<hr/> 90,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Farm Conservation

Performance Program Information

Results:

It is the Department's contention that healthy, available, affordable farmland is crucial to a clean environment. The goal of the Farmland Conservation Program within the Vermont Department of Agriculture is primarily to protect all good agricultural land in Vermont from development in perpetuity. The program sees farmland as an irreplaceable resource. Accepting change as an unavoidable force in society, the program's secondary focus is its responsibility as an easement co-signatory. In this role, our goal is to work with farmers to mediate changes in their infrastructure and land use.

Key Indicators:

1. Number of agricultural acres conserved annually.

Although we believe the acres conserved annually as a percentage of the acres developed is a valuable indicator, we realize there are significant extraneous factors--- interest rates, property taxes, the price of milk for example--- influencing this decision. Moreover, the Department's ability to influence the ratio, either through policy or practice, is small. Therefore, we have removed this ratio as a key indicator.

Baseline Situation:

The speed at which Vermont is changing has increased dramatically since the completion of the two interstate highways. Accessibility to major eastern population centers first resulted in a second home stampede followed next by general commercial and residential development and, most recently, basic, unadorned sprawl. As the population increased so too did demands on the property tax base. This, coupled with the dairy farming economy, meant that landowners sold land to pay the increasing costs of maintaining their farms.

This unraveling of the traditional fabric of Vermont led first to the passage of Act 250 followed by a slow but steady movement to protect farmland from this encroaching development. But, still, the farms sold out and the acres of identical houses and big box retail filled in.

Eventually, people grouped together to create land trusts to steward the protected land. The state stepped up to fund some of these purchases and the Department of Agriculture became one of the principle players in identifying, educating and stewarding the conserved land. Partners in our effort include the Vermont Housing and Conservation Board, land trusts throughout the state, the University of Vermont Extension programs as well as bankers and other direct farm support organizations. Our policy is to promote diversity in the state both geographically and by farm type.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Farm Conservation

Strategies:

1. Devote substantial personnel resources to meeting with farmers especially during slower winter months, when many farm groups annually convene.
2. Develop informative brochures answering the most common initial questions farmers have.
3. Educate property appraisers as to Farmland Conservation Program's goals, seeking to insure that farmers are offered a fair price for protection of the state's best farmland.
4. Build stronger ties with partner groups by determining which groups work best in which environments. Focus on each partner's strengths.
5. Continue placing articles and media stories whenever possible, recognizing that the decision to conserve is a major decision, slowly reached by farm families.

Performance Measures:

What/How Much We Do:

1. # farmers contacted
2. # media placements

How Well We Do It:

1. # pre-applications completed
2. # acres conserved¹

Is Anyone Better Off:

1. % farmers contacted with a site visit annually
2. Cost per acre conserved as a percentage of program budget

What We Plan to Improve Performance:

1. Continue to access farm programs to both broaden public awareness of the Department's program and to communicate the rewards of conserving land.
2. Work with our partners to determine the most efficient and effective use of each group's unique strengths.
3. Improve efficient farm evaluation and mapping skills in order to decrease the in-house costs of each application

FY 2003 Key Budget Issues:

The Farmland Conservation Program is entirely dependent on state funding. It functions on its allocation from VHCB not only for personnel and their expenses but relies more fundamentally on the state's funding of VHCB's land conservation program itself. Farmland conservation competes with affordable housing for these funds. The Department of Agriculture supplements its program from its general fund allocation. Consequently, communicating both the short term and long term value of

¹ At the present time, we do not have values for 2001 and 2002 but we will be gathering these as well as developing data for 2003.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Farm Conservation**

conserved farmland to the public is crucial to the enduring health of the Program.

MATRIX:

Quantity/Effort

1. Number of acres conserved annually
2. Number of pre-applications annually

Quantity / Effect

1. Cost per acre to buy conservation rights
2. Number of pre-applications approved annually

Quantity / Effort

1. Agricultural acres conserved as a percentage of agricultural acres initially contacted
2. Ratio of cold calls to pre-applications

Quantity / Effect

1. Ratio of agricultural acres conserved to acres developed
2. Cost per acre conserved as a percentage of program budget

RESULTS:

Fiscal year

	<u>Actual</u>		<u>Estimated</u>	
	2001*	2002	2003	2004
Number of farms contacted:	10	50	60	70
Number of media placements	0	18	20	22
Number of pre-applications completed	2	11	12	14
Number of pre-applications approved	2	9	11	13
Number of farms conserved	0	2	5	6
Number of acres conserved	0	315	450	500
Percent of farms contacted receiving a site visit	35%	45%	50%	50%
Cost per acre conserved as % of program budget**	0	0.3%	0.25%	0.2%
Cost per acre to buy conservation rights	0	\$1011	\$1200	\$1250
Ratio of cold calls to pre-applications completed	25%	25%	25%	25%

*Position was full only half of FY2001

** Assumes 50% of time spent on stewardship

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Farm Conservation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	35,775	37,206	53,323
Operating Expenses	0	8,000	8,000	8,000
<hr/> TOTAL	<hr/> 0	<hr/> 43,775	<hr/> 45,206	<hr/> 61,323
FUND TYPE				
Special Fund	0	43,775	45,206	61,323
<hr/> TOTAL	<hr/> 0	<hr/> 43,775	<hr/> 45,206	<hr/> 61,323

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Department**

Department Mission Statement

The Department of Public Service serves all citizens of Vermont through public advocacy, long range planning, and programs carried out by the Consumer Affairs and Public Information, Energy Efficiency, Engineering, Planning, Telecommunications and Economics Divisions, to meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy services, telecommunications services, and regulated utility systems.

Description of Appropriations, Divisions, & Programs

The DPS is predominantly funded by the gross receipts tax on utility bills, pursuant to 30 V.S.A § 22, with some programs funded through federal grants.

Divisions and Programs

Public Advocacy. DPS serves as the ratepayers Public Advocate before the Public Service Board, other State and federal agencies and courts, on issues related to electricity, natural gas, telephone, cable TV, and to some extent for water and wastewater services. The DPS enforces statutes and rules related to transactions between utilities and their customers, and upholds established rules of service when a consumer is not satisfied with service received from a regulated utility company.

Consumer Protection. The Consumer Affairs & Public Information Division provides information and educational programs for consumers of the state's utility-type services, focusing primarily on residential consumers of electric and telecommunications services. DPS has procedures for dispute resolution and disconnection prevention. The Department also promotes the passage of laws and rules to protect consumers and monitors the implementation and effectiveness of the law, rule or policy.

Energy Efficiency. The Department reviews and evaluates utility energy efficiency programs; proposes and promotes strategies and programs to enhance energy savings for customers, the Vermont economy and environment; and works in public/private partnerships to develop renewable energy resources in the state. The Department is currently conducting a formal statewide evaluation of Efficiency Vermont Programs and of energy efficiency markets in Vermont generally. The Department writes and manages grants to support innovative energy efficiency strategies and to build on its successful efforts promoting renewable and sustainable energy technologies in Vermont.

Power Planning. The Department reviews the State's current and long term needs for electric energy and for a least cost portfolio of options to meet the State's future demand. This least cost portfolio is an optimum mix of supply resources, energy efficiency programs, and transmission and distribution improvements. The Planning and the Economics Divisions review utility power supply and cost information, monitoring for consistency with policy recommendations in the Vermont Electric Plan.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Department

Fossil fuel price forecasts are also reviewed regularly.

Administration. The Department carries out administrative functions for the Commissioner's Office, personnel, and business management.

Purchase and Sale of Power. The Department contracts on behalf of the state for the purchase of cost effective power for sale, from time to time, at retail to residential customers and at wholesale to the state's electric companies. DPS currently sells a small amount of wholesale power and hasn't had any retail sales since 1996.

Comprehensive Energy Planning. The Department reviews all forms of energy used in the state. Fueling Vermont's Future was adopted in July 1998. It assesses current trends in energy use and provides direction for future energy use that is consistent with the DPS mission and goals established at the state and federal levels. Policies and actions discussed in Fueling Vermont's Future and the set of policies presented as the composite policy case show a variety of ways that Vermont can make fundamental changes and progress toward meeting the state's energy and environmental goals. DPS also prepares statewide planning documents for electric energy and publishes general and technical reports.

Utility Safety. DPS has a significant role in Vermont Yankee oversight, gas safety programs, and utility accident prevention and investigation.

Telecommunications Planning. The Department has undertaken the development and implementation of the Vermont Telecommunications Plan, in accordance with 30 V.S.A. §202d(e). A new edition of this Plan was adopted on August 29, 2000.

Emergency Response. The Department is involved in direct, on-site intervention at utility and fuel related accidents. DPS participates in preparedness programs for providing technical assistance in the event of nuclear accidents, and DPS coordinates with local, state, and federal emergency response teams.

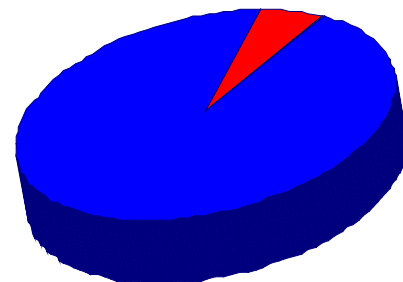
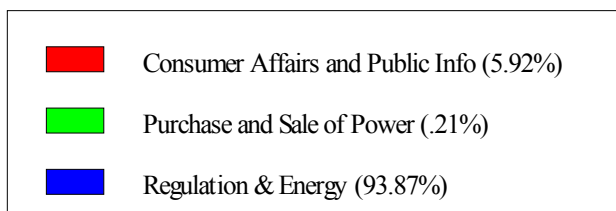
Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate and necessary.

Energy Emergency Planning. The Department has developed and documented a procedure that defines steps that must be taken in the event of a serious energy shortage, including energy monitoring activities, responsibility assignment, and specific directions to be carried out under various energy emergency conditions.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Department

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Regulation & Energy	39	5,230,429	4,739,710	4,809,324	4,861,104
Purchase and Sale of Power	0	16,135	8,189	8,189	10,792
Consumer Affairs and Public Info	5	0	274,209	282,709	306,564
TOTAL	44	5,246,564	5,022,108	5,100,222	5,178,460
FUND TYPE					
Special Fund		4,406,733	4,286,106	4,359,815	4,164,726
Federal Revenue Fund		816,217	711,000	715,405	988,734
Interdepartmental Transfer		23,614	25,002	25,002	25,000
TOTAL		5,246,564	5,022,108	5,100,222	5,178,460



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Regulation & Energy**

Appropriation Key Budget Issues

Because the Department of Public Service's regulation and energy efficiency appropriation is 100% special and federal funds, there are no significant budget issues or service impacts at this time.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Regulation & Energy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,377,111	3,892,960	3,962,574	3,723,029
Operating Expenses	490,342	606,750	606,750	613,075
Grants	362,976	240,000	240,000	525,000
<hr/> TOTAL	<hr/> 5,230,429	<hr/> 4,739,710	<hr/> 4,809,324	<hr/> 4,861,104
FUND TYPE				
Special Fund	4,390,598	4,003,708	4,068,917	3,847,370
Federal Revenue Fund	816,217	711,000	715,405	988,734
Interdepartmental Transfer	23,614	25,002	25,002	25,000
<hr/> TOTAL	<hr/> 5,230,429	<hr/> 4,739,710	<hr/> 4,809,324	<hr/> 4,861,104

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Purchase and Sale of Power**

Appropriation Key Budget Issues

There are no significant budget issues or service impacts associated with this appropriation. All funding comes from payment for services by the entities purchasing the power in Department-brokered sales. It is a pass-through on a time and materials basis.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Purchase and Sale of Power

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	13,939	7,824	7,824	8,577
Operating Expenses	2,196	365	365	2,215
<hr/> TOTAL	<hr/> 16,135	<hr/> 8,189	<hr/> 8,189	<hr/> 10,792
FUND TYPE				
Special Fund	16,135	8,189	8,189	10,792
<hr/> TOTAL	<hr/> 16,135	<hr/> 8,189	<hr/> 8,189	<hr/> 10,792

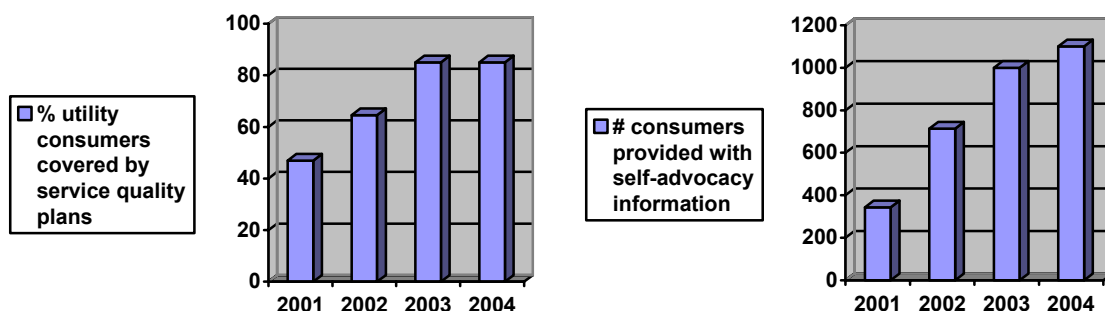
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Consumer Affairs and Public Info

Performance Program Information

Results:

Increase consumer protection, promote quality improvement and become a major source of information and education on existing and emerging regulated services and technologies.

Key Indicators:



Story Behind Baseline Performance:

Answering consumers' questions about their utility service has always been a role that the Department of Public Service has played. The process became more formalized when Consumer Affairs and Public Information (CAPI) was established as a Division, with a separate director in 1997. The Division has a director and four consumer affairs specialists who work to resolve consumer complaints, develop educational materials, do outreach, work with the Public Advocacy Division in cases related to consumer complaints, and work on special projects as assigned. Specialists must understand the details of state law, Public Service Board Rules, and some federal laws. The consistently outstanding resolution rate for complaints (over 95%) shows the staff's talent and excellent training.

The dramatic increase in the number of consumers covered by service quality plans is an important step in giving consumers consistent high-quality service. It is driven by two factors: first, a significant Public Service Board (PSB) docket that established service quality standards for Vermont's telephone companies, with reporting requirements to enable tracking and review, and consequences for failing to meet minimum standards. Second, Vermont's electric utilities have all had rate investigations completed by the PSB in the past several years. One result of those investigations has been the Department's successful insistence that consumers be given minimum levels of customer service – that telephones be answered promptly and service appointments be kept – that the results be reported and tracked, and that there be consequences for failure to meet minimum standards.

CAPI also has a strong interest in empowering consumers and outside advocates to deal with utility

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Consumer Affairs and Public Info

issues effectively. It is worthwhile to put scarce resources into developing self-advocacy information, as the resource investment pays dividends beyond resolving one consumer's complaint. We have worked hard to develop materials that have a broad impact. For example, this year CAPI published "Your Phone, Your Choices," a pamphlet describing consumer choices in local and long distance telephone service and launched a very successful public information campaign informing people to dial "711" to use the Telecommunications Relay Service to connect with the deaf, deaf-blind, hard of hearing and speech disabled. Also, "Utilities and You" is a booklet published by CAPI that gives consumer the necessary information to address disconnection and deposit issues with their utilities. Other publications help consumers understand "local measured" telephone service and how to choose a long distance provider.

Strategies:

1. Work with Public Service Board, telecom companies and Legislature to rewrite telecom rules to provide better tools for protecting consumers.
2. Improve enforcement resources both through rules and legislative action, if necessary.
3. Increase training of outside advocates around the state to more efficiently use resources to reach consumers.
4. Increase public information activities of Department.
5. Continue negotiations with utilities on service quality plans (SQRPs) to create new plans and strengthen existing plans.

What Do We Propose to do to Improve Future Performance?

1. Refine existing consumer information materials, and continue to expand distribution.
2. Develop and distribute new consumer information materials.
3. Work with utilities and Public Service Board to have all utility customers protected by service quality plans.
4. Continue training for consumer affairs specialists.

FY04 Key Budget Issue:

Maintaining full staffing. The Division has an expected turnover in its consumer affairs specialist positions, as it is a mid-level type position that talented employees can outgrow. Hiring freezes can severely inhibit CAPI's ability to effectively serve all consumers.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Consumer Affairs and Public Info

Complaints Resolved Successfully (with full, partial or compromise resolution)

Fiscal Year	Number Resolved	Per Cent Resolved
FY2000	1348	95.6
FY2001	1354	95.0
FY2002	1218	96.5
FY2003 est.	1400	97
FY2004 est.	1400	97

Dollars Saved for Consumers

Fiscal Year	Dollars Saved
FY2000	\$191,202
FY2001	\$290,850
FY2002	\$101,791
FY2003 est.	\$200,000
FY 2004 est.	\$200,000

Number of Utilities Subject to Service Quality Plans

Fiscal Year	Number with SQP	Per Cent with SQP
FY2000	0	0.0
FY2001	11	22.0
FY2002	22	40.0
FY2003 est.	30	60.0
FY2004 est.	30	60.0

Consumers Provided with Self-advocacy Information (of total VT utility customers)

Fiscal Year	Number Provided Information	Per Cent Provided Information
FY2000	196	3.6
FY2001	343	6.2
FY2002	713	13.8
FY2003 est.	1000	18.1
FY2004 est.	1100	20.0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Consumer Affairs and Public Info

Utility Customers Covered by Service Quality Plans (All accts. = 940,066)

Fiscal Year	Number Covered	Per Cent Covered
FY2000	0	0.0
FY2001	442041	47.0
FY2002	668000	64.6
FY2003 est.	799056	85.0
FY2004 est.	799056	85.0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Consumer Affairs and Public Info

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	252,431	260,931	284,785
Operating Expenses	0	21,778	21,778	21,779
<hr/> TOTAL	<hr/> 0	<hr/> 274,209	<hr/> 282,709	<hr/> 306,564
FUND TYPE				
Special Fund	0	274,209	282,709	306,564
<hr/> TOTAL	<hr/> 0	<hr/> 274,209	<hr/> 282,709	<hr/> 306,564

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

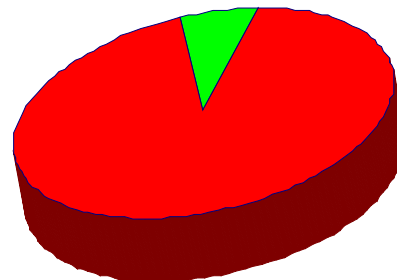
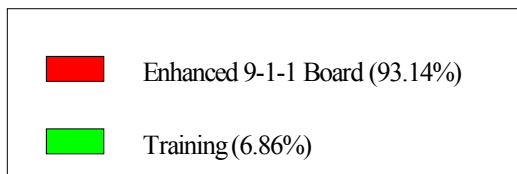
Department Mission Statement

The Enhanced 911 Board's mission is to provide a statewide emergency telecommunications system, accessible to everyone, and to oversee its operation.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Enhanced 9-1-1 Board	8	3,439,296	2,209,978	2,209,978	2,251,785
Training	1	0	180,390	180,390	165,803
<hr/> TOTAL	<hr/> 9	<hr/> 3,439,296	<hr/> 2,390,368	<hr/> 2,390,368	<hr/> 2,417,588
FUND TYPE					
Special Fund		3,439,296	2,390,368	2,390,368	2,417,588
<hr/> TOTAL		<hr/> 3,439,296	<hr/> 2,390,368	<hr/> 2,390,368	<hr/> 2,417,588



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,937,741	1,955,669	1,955,669	1,885,127
Operating Expenses	501,555	254,309	254,309	366,658
<hr/> TOTAL	<hr/> 3,439,296	<hr/> 2,209,978	<hr/> 2,209,978	<hr/> 2,251,785
FUND TYPE				
Special Fund	3,439,296	2,209,978	2,209,978	2,251,785
<hr/> TOTAL	<hr/> 3,439,296	<hr/> 2,209,978	<hr/> 2,209,978	<hr/> 2,251,785

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Training**

Performance Program Information

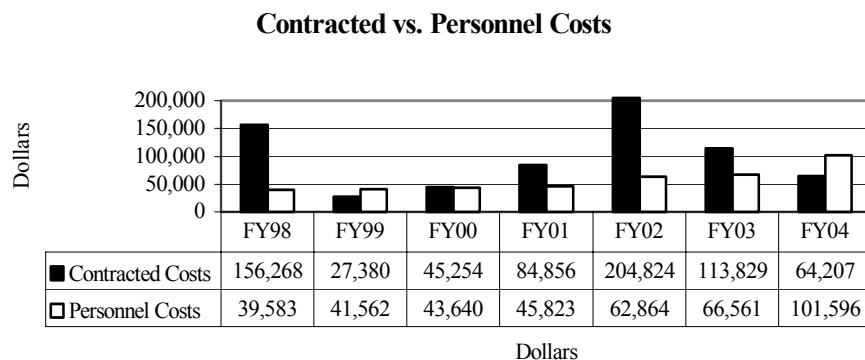
ENHANCED 911 BOARD

Results

The reliability of Vermont's E911 system depends not only on technology, but also on the proper training of the individuals who answer 911 calls. Training and certification of 911 call-takers increases their professionalism and enables the Board to deliver a consistently high quality of service to callers statewide. Providing our training program using in-house personnel vs. an outside contractor will result in decreased expenditures.

Key indicators

The graph below illustrates what has been expended on training since our inception and in FY04 shows the amount projected to be paid on contracts with the addition of one approved staff person in FY03. We do anticipate our contracted costs to be slightly higher than anticipated in FY03, as the job development/recruitment process took longer than anticipated. We anticipate that contracts will be required for 39% of the training in FY04.



Note: The chart above reflects a large expenditure in FY98 and less expended in FY99 & FY00. The negotiated contract front-loaded the start-up costs, including course/material development and the initial training of approximately 140 call-takers. That resulted in credited hours over the next few fiscal years. An FY01 contract amendment changed the vendor payments to reflect payment of actual classes conducted. FY02 reflected the additional cost to train the call-takers at the new Rockingham and Rutland PSAPs. FY03 costs reflect the additional cost to train all call-takers on new Mapped ALI software. Mapped ALI training will be incorporated into the routine quarterly training in the future.

Story behind baseline performance

The 1994 General Assembly created the Vermont Enhanced 911 Board and charged it with designing,

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Training

implementing and overseeing the operation of a statewide E911 system. By statute, the Board has the authority to exercise all powers and conduct any activities necessary in carrying out its responsibilities. This includes creating standards, policies, procedures and rules necessary for the proper operation and administration of the statewide E911 system.

The Board's training standards, policies, procedures and rules are firmly based on national E911 standards and best practices, which ensures that statewide system operations are reliable and uniform. In FY04 we expect to offer 438 hours of training to call-takers through various training courses ranging in length from 2 to 56 hours.

The Board's comprehensive Telecommunicator Training Program includes:

- Quarterly cycles of the General Telecommunicator course for new call-takers;
- Quarterly cycles of equipment operations, including the call handling hardware and software, Mapped ALI and ancillary equipment such as printers and logging recorders; CPR Certification & Recertification;
- Hazardous Materials Level I Certification, a continuing education requirement;
- Mentor Certification program (additional training and certification's required for Mentors);
- Annual Mentor re-certification;
- Annual re-certification in CPR;
- Annual re-certification in HazMat Level I;
- General Telecommunicator re-certification;
- Specialized training for PSAP Equipment Administrators;
- Additional training for new PSAP's as needed;
- Training Bulletins as needed.

The on-going call-taker training, certification and quality assurance program is rigorous and its demands are many. We have excelled in providing the necessary training and support to Vermont's call-takers, but at considerable expense to Vermont's E911 program. With the hiring of a second, approved position in FY03, program costs will be reduced in FY04. The additional staff person is enabling us to bring most of the routine, standardized portions of the training program in-house.

Strategy

Our strategy is to be able to present a full budget for all expenses associated within the Training Division. This is dependent upon hiring a 2nd approved position and making an in-house determination as to which classes will be offered to Vermont call-takers.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Training**

Performance Measures Summary Table

Performance Measure	Actual 02	Est 03	Est 04
<i>Input</i>			
Hours of Yearly call-taker training	468	561	438
<i>Efficiency/Service Quality</i>			
% of training done by staff vs contract (hrs)	17%	44%	74%
<i>Output</i>			
Hours training by contractor	388	312	112
Hours training by staff	80	249	326
<i>Outcome</i>			
Dollars expended for contractor	\$204,824	\$113,829	\$64,207
Dollars expended for staff	\$62,864	\$66,561	\$101,596

Note: FY03 overall training hours were increased to accommodate the training of a new program, Mapped ALI, for all call-takers.

What do we propose to do to improve performance in the next 2, 5 and 10 years?

Our goal is to provide Vermont's 911 call-takers with a superior training program, one that ensures we have the flexibility to respond to emerging situations, e.g., terrorism and evolving call-taker needs.

FY2004 key budget issues

We will continue to monitor the cost of personnel vs. contractor and will be prepared in FY05 to present a full budget based on actual expenditures for all aspects of the training program.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Training

FY2004 budget: Increases, decreases from FY03

The current training contract expired on 31 December 2002. It was anticipated that our new position would be hired earlier in the FY03 cycle. As that was not the case, it was necessary to expend additional monies with our primary contractor. We anticipate having the Training Division staffed by 1 March 2003 and we will issue an RFP for emergency medical dispatch and other specialized training within that same timeframe.

The E911 Board anticipates submitting a request to use carry-forward funds to engineer and provision a PSAP at the Derby State Police Barracks and to maintain it for one year. The one-time costs in FY04 for training only, are estimated at 96 additional hours with an approximate contractor cost of \$16,800. E911 will request carry-forward monies for the additional training. After the initial training, annual recurring costs for training will be absorbed through the normal quarterly training cycle.

Budget Summary

	Actual FY02	Anticipated FY03	Anticipated FY04
No of Positions	1	1.3	2
Salaries & Benefits	\$62,864	\$66,561	\$101,596
Contractual Svc.	\$204,824	\$113,829	\$64,207
Total	\$267,688	\$180,390	\$165,803
Special Funds	100%	100%	100%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Training

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	180,390	180,390	165,803
<hr/> TOTAL	<hr/> 0	<hr/> 180,390	<hr/> 180,390	<hr/> 165,803
FUND TYPE				
Special Fund	0	180,390	180,390	165,803
<hr/> TOTAL	<hr/> 0	<hr/> 180,390	<hr/> 180,390	<hr/> 165,803

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board**

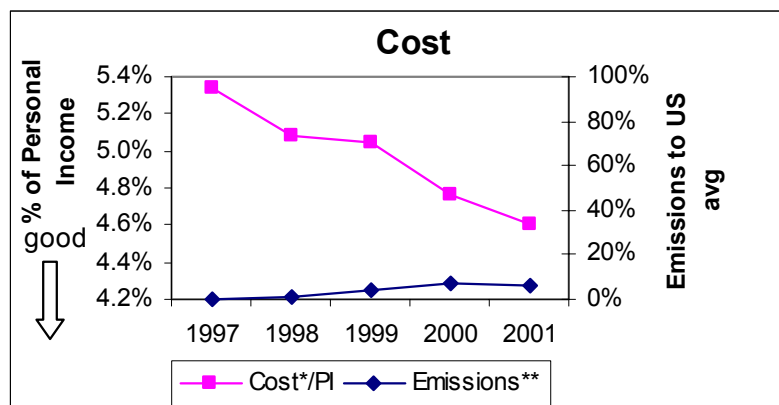
Performance Program Information

Results:

The Public Service Board exists to ensure that Vermont's ratepayers receive high quality public utility services in over one million accounts from approximately 550 utilities, at minimum reasonable costs, measured over time periods consistent with the public good of the state.

Key Indicators:

1. Costs for utility services (including both financial and unpriced environmental costs) are optimized against value of utility services for all Vermonters and Vermont Businesses.

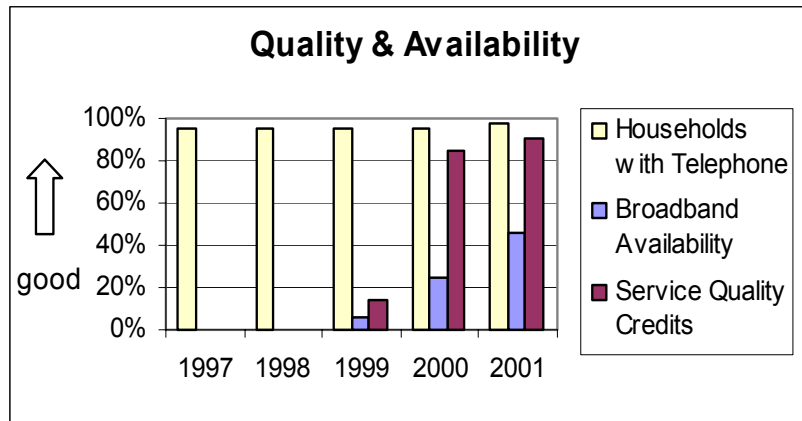


*Cost = Total electric & Telecom bills as a % of total state Personal Income.

**Emissions = lbs of CO2 from in-state power plants, as a % of US average per capita. "Contract" emissions may be tracked in future years.

2. The quality, use and availability of utility services improve or increase over time.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board**



Story Behind Baseline Performance:

Vermont has seen solid progress over the past decade with respect to many areas of public utility services. Vermont has competitive electric rates when compared with the rest of New England; among the lowest natural gas prices in the region; and one of the most advanced telecommunications networks in the region (with relatively high but declining telephone costs) and prospects for one of the most widely deployed cable modem broadband services in any rural area.

As in the past few years, the Board's docket has continued to grow in breadth and complexity, due to continuing fundamental shifts in the regulated industries and regulatory structures. This past year, in addition to the traditional rate, tariff, electric facility siting, and consumer affairs cases, the Board reviewed and approved the sale of the Vermont Yankee Nuclear Power station; it completed an investigation that modified small power purchase contracts; it continued its review of the Citizens Utilities Company's probation case; it reviewed significant dockets and issues related to the implementation of the Federal Telecommunications Act of 1996 (including a docket to allow Verizon to offer in-state long distance services, a significant interconnection arbitration proceeding, and an effort to protect and enlarge recent gains made in annual federal contributions that reduced local telecommunications costs for Verizon-Vermont customers during 2000, 2001 and 2002); it participated in an effort to protect internet users' unrestricted access to content; and it examined several Vermont Gas Systems' rate filings. The Board also renewed the contract for "Efficiency Vermont," the statewide energy efficiency utility that has provided energy efficiency services to customers for the past two years and has already saved Vermonters over \$ 20 million. Finally, the Board has participated in the debate about the restructuring of the electric utility industry, within Vermont, and regionally and nationally, including the development of competitive wholesale power markets. All of these cases and issues have required considerable efforts by the staff and the Board, but with available staff, we have been able to manage this workload in a timely, professional and effective manner.

Strategies:

The Board will continue to employ strategies that it has used in the past to achieve desired results. This

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board

means that we will work to have a highly professional and well trained staff to conduct proceedings and undertake technical reviews necessary to thoroughly review utility filings in a timely manner to ensure that the outcomes of Board proceedings are in the long-term interest of Vermont ratepayers. Because the Board is a quasi-judicial organization, much of our docket is dependent on the schedule and agenda of others; thus, most of our caseload is reactive and is beyond our direct control. Nevertheless, we do have the ability to initiate investigations or rulemakings as necessary. We will pursue these investigations and rulemakings in a few carefully selected cases of high importance with the involvement of the Department of Public Service, the affected utilities, and other interested parties. Some examples of recent investigations and rulemakings initiated by the Board are the electricity load response docket, adoption of Dig Safe Rules, electric reliability rules, net metering rules, and pole attachment rules. Future investigations and rulemakings may include revised electric rate designs, disconnection rules, and telecommunications service quality rules.

Performance Measures:

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Bills for electric and telecommunications services as a percentage of total personal income	5.05%	4.77%	4.61%	*
Percentage of Vermonters who subscribe to telephone service	95.4%	95.6%	97.2%	not avail.
Percentage of Vermonters with high-speed broadband internet service available	5.9%	25.1%	46.0%	not avail.
Quality of utility services (as demonstrated by number of escalated customer complaints)	1,543	1,277	1,439	not avail.
Air pollutant emissions from electric generation (CO2 pounds per capita vs. US avg)	n/a	7.6%	5.7%	not avail.

* Since the PSB may be making judicial determinations in regard to future dockets related to these measures, we believe that it is inappropriate to project the outcomes of various present and future cases in this budget document.

What Do We Propose To Do To Improve Performance?

During the next two years we will closely monitor performance measures to ensure that the trends demonstrated are pointing in positive directions. If, during this time, we feel that we are not making sufficient progress in a significant area, we will reallocate resources or pursue alternative strategies.

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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board

Note, however, that many of these measures should be pursued as long-term (10-20 year) indicators, rather than short-term policy adjustments.

During the next five to ten years, it is likely that the trend toward more market-based rates and regulation will continue (albeit at a slower pace) in the electric, telecommunications and gas industries. This may mean a shift from traditional rate and cost-of-service analyses toward more review, assessment and monitoring of market conditions, terms and quality of service, and consumer protection. How these developments, if they occur, will affect Board staffing and other resource needs is difficult to predict. Because this change is likely to be evolutionary, we should have sufficient time to adjust the Board's program and resources to be adequately responsive as the need arises.

FY-04 Key Budget Issues and FY-04 Budget:

Considering the fiscal constraints the state faces and their effect on FY04 appropriations we do not propose any changes or enhancements to the Board's current program for the next fiscal year.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Public Service Board	26	2,288,510	2,484,447	2,527,961	2,532,516
TOTAL	26	2,288,510	2,484,447	2,527,961	2,532,516
FUND TYPE					
Special Fund		2,288,510	2,484,447	2,527,961	2,532,516
TOTAL		2,288,510	2,484,447	2,527,961	2,532,516

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,001,072	2,163,063	2,206,577	2,212,516
Operating Expenses	287,438	321,384	321,384	320,000
<hr/> TOTAL	<hr/> 2,288,510	<hr/> 2,484,447	<hr/> 2,527,961	<hr/> 2,532,516
FUND TYPE				
Special Fund	2,288,510	2,484,447	2,527,961	2,532,516
<hr/> TOTAL	<hr/> 2,288,510	<hr/> 2,484,447	<hr/> 2,527,961	<hr/> 2,532,516

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

Department Mission Statement

The Judiciary is a separate and distinct branch of government established by the Vermont Constitution (see Chapter II, Sections 4, 5, 28 and 41), and implemented by statute (see Title 4 of the Vermont Statutes Annotated) "for the trial of all causes proper for their cognizance," Vermont Constitution, Chapter II, Section 28. In that document, the people of Vermont told the Judiciary that it must provide to every person a forum to obtain "right and justice... promptly and without delay; conformably to the laws." (Ch. 1, Article 4) Therefore, the Judiciary's purpose is to assist citizens in the resolution of disputes through a determination of legal rights and status.

To meet this constitutional mandate, the Judiciary has established these goals:

- o Issue quality judicial decisions that do justice for the litigants, establish clear and ascertainable law, and apply the law correctly to the facts;
- o Issue timely judicial decisions at minimal expense to the litigants and the taxpayers;
- o Provide the public with the services they need to access the courts, understand court operations and use the courts appropriately;
- o Provide the public with staff services needed to promote the fair, timely and inexpensive resolution of disputes; and
- o Protect persons from the abuse of others and from the arbitrary use of governmental power.

The Judiciary serves the entire population of Vermont. Major corporations file multi-million dollar lawsuits. Tenants sue in small claims court to recover their security deposit. Battered spouses seek protective orders. Custodial parents seek child support. Defendants are brought before the Judiciary to respond to all crimes, including such crimes as shoplifting and murder. The Judiciary handles juvenile delinquency, divorces, adoptions, guardianships, support payments and releases from the Vermont State Hospital.

Description of Appropriations, Divisions, & Programs

The Supreme Court

The Chief Justice and the four Associate Justices constitute the Vermont Supreme Court. Justices are appointed by the Governor from a list of qualified candidates submitted by the Judicial Nominating Board and confirmed by the Senate for six-year terms. When a justice's term expires, the General Assembly votes whether to retain the justice in office.

The Supreme Court, which is located in Montpelier, is the court of final appeal in Vermont. The court hears appeals from the Superior, Family, District and Environmental Courts, from certain administrative agency proceedings and from Probate Court when a question of law is involved. In special types of cases, the Supreme Court has original or exclusive jurisdiction to hear cases brought directly to the

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

Supreme Court without being heard first in one of the lower courts. The Supreme Court does not take evidence, listen to witnesses or receive exhibits in a case. Instead the court looks at the legal issues to determine whether the law was correctly applied to the facts in the lower court. Decisions of the Vermont Supreme Court are final unless the case presents a federal question involving the United States Constitution, statutes, or treaties. If there is a federal question, decisions of the Vermont Supreme Court may be appealed to the United States Supreme Court.

The Vermont Constitution gives the Supreme Court the responsibility of administering the Vermont Court system. It authorizes the Supreme Court to make rules regulating practice and procedure in civil, criminal, and probate cases. The General Assembly has authority to revise rules as set out in the Vermont Constitution. The Supreme Court also has the power to discipline judges and attorneys, to license attorneys and to regulate the practice of law.

The Supreme Court has created a number of Boards and Committees to assist it to fulfill its constitutional duty to administer the courts of the state, to investigate complaints and discipline judicial officers and attorneys at law in the state, and to promulgate rules governing practice and procedure in all courts. These Boards and Committees include 1) the Judicial Conduct Board, 2) the Professional Responsibility Board, 3) the Board of Bar Examiners, 4) the Advisory Committees on the Rules of Civil, Criminal, Family and Probate Procedure, on Rules of Evidence and Access to Court Records.

The Court Administrator assists the Supreme Court in the administration of the Judiciary by providing leadership and support to the judges and court staff to enable them to resolve disputes fairly, expeditiously and inexpensively. The Court Administrator is responsible for the overall management of the court system, including judicial and employee education, budgetary and personnel matters, computer services, record keeping and court security. The Court Administrator serves as liaison between the Supreme Court and its boards and committees and between the Judiciary and the other branches of government.

The Trial Courts

Vermont has three trial courts. The Superior Court is primarily responsible for the civil and small claims caseloads. The District Court is responsible for the criminal dockets. The Family Court has jurisdiction for matters such as divorce, domestic abuse, child support, juvenile delinquency, termination of parental rights, and protection of children at risk.

The Administrative Judge assigns the district and superior judges, environmental judge, child support magistrates, judicial bureau hearing officers and assistant judges to the trial courts, runs the judges' continuing education program, resolves attorney conflicts, and in cooperation with the Court Administrator, assumes general administrative control of the work of the trial courts.

Each county has a District Court. The Court is responsible for the 23,600 criminal cases that the State's Attorneys and Attorney General file each year. Through jury trials, court trials and the acceptance of guilty pleas, the District Court Judges determine the guilt or innocence of persons charged with crimes. Through sentencing decisions, the District Court Judges punish persons who engage in acts not tolerated

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

by society, protect the public by separating violent persons from society, protect the public by deterring others from violating the law, and attempt to rehabilitate criminals so that they will be productive members of society. Through determinations of probable cause and decisions on requests for arrest warrants, search warrants, and motions to suppress evidence, the District Court Judges protect the public from the excesses of government power. The court also hears appeals of traffic, municipal ordinance and fish and wildlife tickets, DWI license suspension hearings, extradition proceedings, and drug, fish and wildlife and liquor forfeiture proceedings.

Each county has a Superior Court. The Court is responsible for the 6,900 civil actions filed each year. Most of these actions involve businesses seeking the collection of unpaid debts, individuals seeking damages resulting from the negligence of others, or general lawsuits involving the failure to abide by the terms of a contract. State environmental, consumer protection and civil rights actions are filed in Superior Court. The Court also hears appeals of some governmental actions. Through jury trials, court trials and pretrial conferences, the Superior Court Judges resolve disputes such as whether one person should have to reimburse another for that person's actions or inaction, persons should start or stop acting in certain ways; and persons should lose their homes or other property for failure to pay their debts. The Superior Court also decides the 8,200 small claims filed each year.

Each county has a Family Court. The Court is responsible for the approximately 3,300 divorce actions, 1,600 other domestic actions (primarily parentage) and the 3,600 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce child support, visitation or custody orders. The Family Court is also responsible for approximately 1,400 juvenile delinquency cases, 800 cases involving the abuse and neglect of children or children who are unmanageable, 200 cases in which the state seeks to terminate parental rights, 4,200 petitions for relief from domestic abuse and other family matters including how the state should care for persons with mental illness and developmental disabilities. Judicial Officers and court staff in Family Court attempt to conduct timely hearings and issue timely decisions in order to resolve disputes, to provide support to distressed litigants and to provide protection to victims of family violence and emotional abuse. The Court attempts to provide courteous, calming and helpful service to assist family members to make informed decisions about how to resolve their disputes on their own through mediation or other community services.

The Probate Court, the Judicial Bureau and the Environmental Court

There are 18 Probate Court districts in Vermont. The Probate Court is responsible for the 4,000 guardianships, adoptions, decedent estates, and testamentary trusts that are filed each year. The Probate Court Judges and Staff (called Registers and clerks) are working to 1) assist persons and families to administer and settle estates and any resulting trusts; and, if necessary, resolve any disputes over the distribution of the assets of the estates; 2) determine whether guardianships need to be established for incompetent persons; 3) assist persons wishing to relinquish parental rights for the purpose of placing a child up for adoption; and 4) monitor the processing of the cases in the court to insure fiduciaries meet their responsibilities to the estates and guardianships.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

The Vermont Judicial Bureau is responsible for the 115,000 traffic tickets issued by state and local law enforcement agencies each year. Many of the violations are speeding tickets. The bureau is also responsible for the processing of 2,000 municipal ordinance violations and 500 fish and wildlife violations each year and other similar violations that the legislature has added to the bureau's jurisdiction in recent years.

The Environmental Court is responsible for hearing and deciding requests to enforce administrative orders issued by the Secretary of the Agency of Natural Resources and requests to review orders issued by the Secretary. The court also hears appeals from zoning boards and planning commissions.

Appropriation Key Budget Issues

The greatest problem facing the Judiciary today is our inability to promptly respond to the growing number of drug related criminal offenses being filed in our District Court. In the year that ended on June 30, 2002, we experienced an increase of over 400 people charged with felonies (12.7%) along with an additional 1,000+ people charged with misdemeanors (7.3%). The number of pending cases went up 16.2% and 8.8% respectively. In the first quarter of this year, felony filings increased an additional 20% over last year's first quarter. Most of the increase was the result of increased drug usage in the state: 35% more drug offenses, 35% more fraud/forgery offenses and 16% more theft offenses, most of which are anecdotally related to obtaining money to buy drugs. This caseload growth has created a backlog in the courts.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Judiciary	337	24,015,416	26,398,409	27,064,421	26,522,516
<hr/> TOTAL	<hr/> 337	<hr/> 24,015,416	<hr/> 26,398,409	<hr/> 27,064,421	<hr/> 26,522,516
FUND TYPE					
General Fund		17,514,177	19,965,952	20,486,653	20,155,166
Transportation Fund		3,626,015	3,627,781	3,706,405	3,740,140
Special Fund		419,937	441,676	508,363	495,050
Federal Revenue Fund		216,329	172,000	172,000	200,639
Interdepartmental Transfer		2,238,958	2,191,000	2,191,000	1,931,521
<hr/> TOTAL		<hr/> 24,015,416	<hr/> 26,398,409	<hr/> 27,064,421	<hr/> 26,522,516

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Judiciary

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	21,315,303	21,418,325	22,058,348	21,116,744
Operating Expenses	2,692,373	4,975,084	5,001,073	5,400,772
Grants	5,000	5,000	5,000	5,000
Land Structures & Improve Budg	2,740	0	0	0
TOTAL	24,015,416	26,398,409	27,064,421	26,522,516
FUND TYPE				
General Fund	17,514,177	19,965,952	20,486,653	20,155,166
Transportation Fund	3,626,015	3,627,781	3,706,405	3,740,140
Special Fund	419,937	441,676	508,363	495,050
Federal Revenue Fund	216,329	172,000	172,000	200,639
Interdepartmental Transfer	2,238,958	2,191,000	2,191,000	1,931,521
TOTAL	24,015,416	26,398,409	27,064,421	26,522,516

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Rights Commission

Performance Program Information

Results

Vermont will provide a welcoming environment for all persons irrespective of their race, color, sex, religion, national origin, disability, sexual orientation, age or marital status.

Key Indicator

Citizens' knowledge of the rights and obligations created by state statutes prohibiting discrimination in housing, public accommodations and state employment will increase.

Baseline

During a 2001 strategic planning process, Commission staff contacted 29 organizations representing natural constituencies of the Commission and inquired as to their knowledge and perception of the work of the Human Rights Commission. More than half knew little, if anything, about the work of the Commission. The survey revealed that the Commission was best known in the area of housing discrimination. This survey will be repeated during 2003 to assess whether knowledge and perception of the Commission and its work has changed in this two-year interval.

Story Behind the Baseline Performance

Vermont has a long-standing and high regard for the value of individual human rights.

- The 1777 constitution of the then Republic of Vermont specifically prohibited the practice of human slavery in its very first provision, becoming the first state to do so.
- Vermont refused to join the United States until the Bill of Rights had been ratified in 1791.

This respect for human dignity was evidenced in a number of ways in the early years of this state's history.

- Brownington resident Alexander Twilight was the first African-American to graduate from an American College (Middlebury, 1823) and the first to serve in a state legislature.
- Vermont was a center of abolitionist activity and a major route on the "Underground Railway."
- Vermont sent more troops per capita than any other northern state in the Civil War, suffering severe casualties in that conflict. It is often said that Vermonters fought more to free the slaves than in defense of the Union. *Unfortunately, Vermont's history is not one of seamless support for human rights.*
- In the 1920's and 1930's, the Ku Klux Klan had a significant presence in some Vermont communities targeting Catholics, Jews and African-Americans for harassment.
- During the 1930s, the eugenics movement sought to sterilize persons with disabilities as well as native peoples in an effort to "improve the race."
- In 1968, the "Irasburg incident" occurred in which shots were fired into the home of an African-American

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Rights Commission

minister who had recently moved to town with his family. After seeking assistance from law enforcement, the minister was investigated for adultery and left Vermont shortly thereafter.

Vermont's Response

1. Vermont passed its public accommodations act (1957) and fair employment law (1963) predating comparable provisions in the federal Civil Rights Act of 1964 providing protection on the basis of race, color, religion, national origin and sex. Subsequently age, disability and sexual orientation were added as protected categories to state laws.
2. The first Vermont Human Rights Commission was created by Executive Order in 1967, albeit without any staff. The present Human Rights Commission was created by the Legislature in 1988 to address housing and public accommodation discrimination, and to avoid the conflict that the Attorney General has in investigating discrimination complaints against state agencies.
3. In 1990, sexual orientation was first included as a protected category in the Hate Crime Act. This Protection was expanded in 1992 by including sexual orientation as a protected category in employment, housing, public accommodations, as well as in banking and insurance.
4. The Vermont Supreme Court decided Baker in 1999, and the Legislature responded in 2000 by passing Act 91, creating Civil Unions.

This long and predominantly progressive history provides a firm base for the work of the Commission, but also raises expectations that the Commission will succeed in its mission outlined below.

Mission Statement

The mission of the Commission is to promote full civil and human rights in Vermont. The Commission protects people from unlawful discrimination in housing, state government employment and public accommodations and pursues its mission by enforcing laws, mediating disputes, educating the public and providing information and referrals.

Strategies

Complaints alleging violations of anti-discrimination laws are investigated impartially and decided in a timely manner by the Human Rights Commission.

Complainants and respondents are offered timely and meaningful access to mediation services or informal means of conciliation which promote mutually satisfactory resolution of the dispute.

How We Intend to Enhance Performance— Assessment Strategies & FY02 Targets and Outcomes

➤ Within 60 days of the date that the complaint is filed, in 90% of all cases, the initial request for information is sent to the respondent and the response is received by the case manager who then assigns the matter to a staff investigator.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Rights Commission

Baseline-As of 10/31/01, 11 of 46 (**24%**) of complaints filed during FY 01 (pending more than 120 days) had been assigned to a staff investigator. As of 10/31/02, 57 of 58 (**98%**) of complaints filed during FY 02 (pending more than 120 days) had been assigned to a staff investigator.

➤ The percentage of cases pending more than 120 days is reduced from 80% to 66% during FY 03.

Baseline-As of 10/31/01, there were 82 complaints pending, and 65 (**80%**) were filed before July 1, 2001 and were more than 120 days old. As of 10/31/02, there were 41 complaints pending and 27 (**66%**) were filed before July 1, 2002 and were more than 120 days old.

➤ The percentage of complaints filed with both the Vermont Human Rights Commission and with the U.S. Department of Housing and Urban Development pending for more than 100 days is reduced to no more than 50% of all such cases.

Baseline-As of 6/30/01, there were 18 dual- filed cases open, and 13 (**72%**) of those had been pending for more than 100 days. As of 6/30/02, there were 13 dual- filed cases open, and 5 (**38%**) of those had been pending for more than 100 days.

➤ Invitations to parties to engage in mediation efforts are extended within 90 days of complaint filing in no less than 50% of all complaints filed in FY03.

Baseline-Parties were offered mediation in 5 of a total of 46 (**11%**) complaints filed during FY 01.

(NOTE: Invitations were accepted in 2 of 5 cases; both cases settled as a result with \$33,000 paid to one complainant and an undisclosed amount paid to the other.)

Parties were offered mediation in 59 of a total of 64 (**92%**) complaints filed during FY 02.

(NOTE: Invitations were accepted in 12 of 59 cases; 6 cases settled as a result with a total of \$10,100 paid to three complainants and an undisclosed amount paid to a fourth with the other two receiving non-monetary relief.)

FY04 Key Budget Issues and FY04 Budget

The Governor's recommended General Fund budget for FY04 is adequate to maintain staffing at present levels when supplemented by available Federal Funds appropriated to the Commission.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Rights Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Human Rights Commission	5	318,000	358,970	366,555	387,219
<hr/> TOTAL	<hr/> 5	<hr/> 318,000	<hr/> 358,970	<hr/> 366,555	<hr/> 387,219
FUND TYPE					
General Fund		263,971	257,484	263,173	242,907
Special Fund		0	1	1	1
Federal Revenue Fund		54,029	101,485	103,381	144,311
<hr/> TOTAL		<hr/> 318,000	<hr/> 358,970	<hr/> 366,555	<hr/> 387,219

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	264,440	267,218	274,803	317,324
Operating Expenses	53,560	91,752	91,752	69,895
<hr/> TOTAL	<hr/> 318,000	<hr/> 358,970	<hr/> 366,555	<hr/> 387,219
FUND TYPE				
General Fund	263,971	257,484	263,173	242,907
Special Fund	0	1	1	1
Federal Revenue Fund	54,029	101,485	103,381	144,311
<hr/> TOTAL	<hr/> 318,000	<hr/> 358,970	<hr/> 366,555	<hr/> 387,219

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fire Service Training Council**

Department Mission Statement

The primary mission of Vermont Fire Service Training is to provide quality education and training to dedicated individuals of the Fire and Emergency Response Services, thereby reducing the loss of life and property due to fire and other related emergencies in the State of Vermont.

Through research, development and delivery, we can enhance all avenues of fire service training and education.

With a clear direction toward the future, utilizing concise communication, organization, teamwork, and individual dedication, we will achieve our mission.

Description of Appropriations, Divisions, & Programs

The Vermont Fire Service Training Council (VFSTC) was created on May 3, 1988, when Governor Madeleine Kunin signed into law Senate Bill - S-83. The 11 member VFSTC was formed to conduct and administer training schools and courses for the firefighters of the State of Vermont and its enabling legislation rests in Vermont Statutes Annotated, Title 20: Internal Security and Public Safety, Chapter 179: Vermont Fire Service Training Council.

The VFSTC oversees the operations of the Vermont Fire Academy that is located at the Emergency Services Training Facility in Pittsford, VT. The Vermont Fire Academy has a full time staff of eight positions and is responsible for administering, developing, delivering, and documenting the efforts of firefighting students in many different programs.

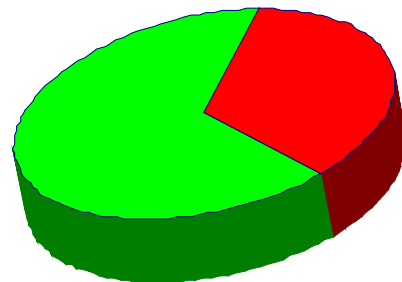
Firefighter training programs that are available to the 6,500 Vermont firefighters / 243 fire departments include Firefighter I, Fire Instructor I, Hazardous Materials, Incident Management and Terrorism related courses.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fire Service Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Fire Service Training Council	5	727,915	499,009	523,512	407,632
Firefighter 1 Training	3	0	722,937	722,937	766,010
TOTAL	8	727,915	1,221,946	1,246,449	1,173,642
FUND TYPE					
General Fund		118,164	301,588	320,883	335,157
Transportation Fund		94,722	99,985	105,193	99,985
Special Fund		276,059	527,924	527,924	459,000
Federal Revenue Fund		62,508	160,000	160,000	105,000
Interdepartmental Transfer		176,462	132,449	132,449	174,500
TOTAL		727,915	1,221,946	1,246,449	1,173,642

■ Fire Service Training Council (34.73%)
■ Firefighter 1 Training (65.27%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fire Service Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	520,161	247,466	252,781	263,160
Operating Expenses	207,754	231,543	250,732	144,472
Grants	0	20,000	20,000	0
<hr/> TOTAL	<hr/> 727,915	<hr/> 499,009	<hr/> 523,512	<hr/> 407,632
FUND TYPE				
General Fund	118,164	251,588	270,883	335,157
Transportation Fund	94,722	99,985	105,193	0
Special Fund	276,059	100,000	100,000	72,475
Federal Revenue Fund	62,508	0	0	0
Interdepartmental Transfer	176,462	47,436	47,436	0
<hr/> TOTAL	<hr/> 727,915	<hr/> 499,009	<hr/> 523,512	<hr/> 407,632

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Firefighter 1 Training**

Performance Program Information

Firefighter I and II Training Programs

Why are we here?

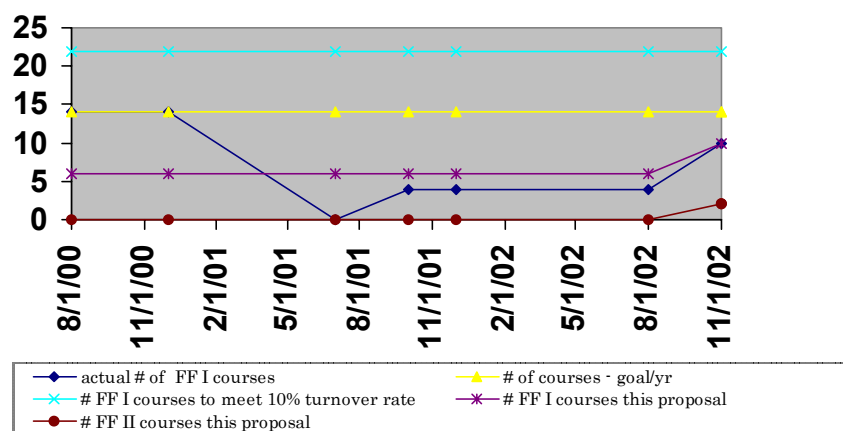
The Vermont Fire Service Training Council was established in 1988 as the state agency that would be responsible for "conducting and administering training schools and courses for firefighters" - VSA Title 20, Chapter 179, § 3153 (a)(b), Powers and Duties. The goal of this fire training program is to present current and comprehensive programs with consistency to the fire service.

The results of our efforts are expressed in the overall safety of firefighters whether in the station or during incidents. This increased firefighter safety also has a direct causal relationship to the overall safety of the citizens of Vermont.

Key Indicator

The key indicator for this program is: the numbers of courses delivered across the state. This figure translates into actual numbers of firefighters trained that year at the maximum capacity rate of 30 students per class.

Firefighter I Training



The Story Behind the Baseline Performance

As stated above, VFST exists to train firefighters to operate safely and efficiently at the scene of any emergency when called upon to respond. Over the years, the VFST budget has grown consistently.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Firefighter 1 Training

Apparently, this growth has not kept up with escalating expenses of equipment, supplies, student support materials, fuel etc. and as a result, a deficit situation has appeared. Other contributing factors to the growth of the deficit include: promising more than could be delivered within the budget, political pressure, underestimating student support materials, an overworked offsite accounting office.

As shown by the graph above, we seem to be headed in a positive direction thanks to the efforts of the 2002 Legislature in the wake of 9/11/01.

Strategy

Since January 2001, time has been spent on finding out where we were in the process of fire training. As a result, the above information has been assembled and some direction has been revealed. We have realigned the curriculum to follow more closely with national standards and as a result have reduced the total course presentation hours thereby reducing overall costs. We have studied the actual course delivery process with respect to numbers of instructors actually needed for presentations and made downward adjustments accordingly. We also have revised a recent internal course cost analysis document to more closely reflect the actual overall expenses incurred in delivery of Firefighter I programs. These processes are ongoing on a continual basis and it has really given VFST a clearer picture of delivery costs. These above efforts have had great success. Thanks to the cooperation of the Vermont Fire Service with the Fire Service training council, we have erased the deficit that has plagued this effort for a few years now - in fact, we finished FY '02 with a little carry forward. Now, we are proud to say that the budget can go entirely toward course deliveries instead of deficit reduction. Any of our interaction with the Vermont Fire Service starts with the 13-member council that represents all facets of the fire service and related state government agencies.

All of the agencies represented have important input into the process but the actual "powers to be" are the firefighter organizations themselves. The Vermont Career Fire Chiefs, The Vermont Fire Chiefs (volunteer chiefs), The Professional Firefighter of Vermont, the Vermont State Firefighters Association are the most important of the stakeholders. Another agency that is critical to our operation is the Vermont Department of Safety, specifically their accounting division. Without timely and accurate information relayed to us, we are not able to accurately quantify or forecast if any of our cost savings measures actually work.

The strategy is to continue to assess systems, build close working relationships with our stakeholders and allied state departments, and proceed in the consistent direction of stability for our funding and program delivery.

What do we propose to do to improve performance in the next five / ten years?

Personnel:

1. We plan to increase opportunities for staff development in critical areas i.e. course development, accounting, managerial skills etc.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Firefighter 1 Training

2. We plan to increase Fire Instructor numbers, by 25%, to present Firefighter I and now Firefighter II programs.

"Curriculum"

3. We plan to deliver a complete Firefighter II program within our existing delivery system.
4. We plan on developing and delivering complete Fire Officer I and II program delivery systems.

"Capital / Infrastructure"

5. We plan on building and outfitting a Firefighter Training Classroom Facility as outlined in our 10-year plan.
6. We plan to acquire all of the associated and up to date equipment that is required for properly training firefighters - vehicles, personal protective equipment, technology advancements - thermal imaging cameras, curriculum packages, training props etc.

In Conclusion:

Firefighting is a dangerous undertaking by all those that participate whether volunteer or paid. The associated training that a person needs is critical to that person's health and safety as well as the community they serve.

That training is expensive, in time and resources without question. That training is worth the funding for the overall safety of our citizenry especially in the wake of 9/11/01 and the current world climate about Terrorism - foreign and domestic.

By continuing to add to the base and work toward the above items, the level of knowledge of the fire service will increase and a "light at the end of the tunnel" will become visible to our customers. The entire Vermont fire service will recognize the importance of firefighter training in accordance with current existing standards of care. As a result, they will be safer and better prepared to deal with any incident that becomes known.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Firefighter 1 Training

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	404,728	404,728	422,709
Operating Expenses	0	318,209	318,209	343,301
<u>TOTAL</u>	<u>0</u>	<u>722,937</u>	<u>722,937</u>	<u>766,010</u>
FUND TYPE				
General Fund	0	50,000	50,000	0
Transportation Fund	0	0	0	99,985
Special Fund	0	427,924	427,924	386,525
Federal Revenue Fund	0	160,000	160,000	105,000
Interdepartmental Transfer	0	85,013	85,013	174,500
<u>TOTAL</u>	<u>0</u>	<u>722,937</u>	<u>722,937</u>	<u>766,010</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Human Services

Agency Mission Statement

The mission of the Agency is to improve the conditions of well-being of Vermonters today and tomorrow and protect those who cannot protect themselves.

The Agency of Human Services is comprised of the following departments and offices:

Description of Departments in Agency

The Agency of Human Services is comprised of the following departments and offices:

Department of Aging and Disabilities: The Department assists older Vermonters and adults with disabilities to live as independently as possible. It helps adults with adults to find and maintain meaningful employment; and it ensures quality of care and life for individuals receiving health care and/or long-term care services from licensed or certified health care providers. The Department also protects elders and adults with disabilities from abuse, neglect, and exploitation.

Department of Corrections: In partnership with Vermont communities, the DOC serves and protects the public by offering a continuum of graduated sanctions for offenders to repair the damage their crimes have caused to victims and communities. The Department operates Corrections facilities for incarcerated offenders and Community Correctional Service Centers for offenders convicted of lesser crimes. It also supports Community reparative Boards for nonviolent offenders to make amends for their crimes and return value to their communities.

Department of Developmental and Mental Health Services: The Department oversees provision of services to adults with mental illness, children and adolescents experiencing a severe emotional disturbance and their families, and people of all ages with developmental disabilities.

Department of Health: DOH protects and promotes health, and prevents disease and injury by improving the health status of all Vermonters. Programs focus on infectious and chronic disease control and prevention (e.g., injury prevention, and health babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections).

Department of Prevention, Assistance, Transition, and Health Access: PATH administers several programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents. These programs promote the well-being of families and individuals through the provision of health care coverage, welfare-to-work services, in-kind benefits, and cash assistance.

Department of Social and Rehabilitation Services: SRS helps families and individuals lead healthy and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Human Services

independent lives by providing support services and offering educational, information, and prevention services to communities. Social services seek to break the cycle of abuse, neglect, and delinquency. Child care services take a lead role in developing quality child care services in Vermont.

Office of Child Support: The Office enforces state and federal statutes to ensure that children receive financial support from absent parents. OCS improves financial security for children by obtaining child support obligations and payments.












Office of Economic Opportunity: OEO provides training and technical assistance, resource identification and development, and program and grants management for community-based organizations. The Office connects communities to resources within government and the private sector to eliminate the causes and symptoms of poverty.

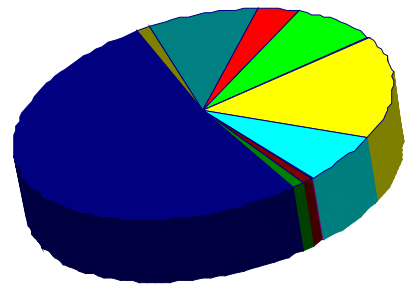
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Secretary of Human Services	61	11,601,449	12,960,878	13,402,526	13,897,469
Human Services Board	4	237,411	251,474	258,378	285,259
Developmental Disabilities Council	2	252,484	403,093	405,236	473,083
Office of Child Support Services	0	9,284,938	9,776,157	9,982,593	10,082,641
Health	541	75,953,178	72,882,430	75,874,314	75,167,273
Social and Rehabilitation Services	400	103,982,884	104,129,471	107,503,577	109,380,428
PATH	430	549,673,247	571,830,319	575,916,876	589,781,891
Developmental and Mental Health	280	174,260,525	176,577,355	184,053,811	188,378,176
Aging and Disabilities	220	36,655,877	41,487,159	45,413,562	46,152,829
Office of Economic Opportunity	9	11,034,061	10,794,047	10,806,680	11,654,344
Corrections	987	86,634,739	84,784,366	89,017,806	95,243,031
TOTAL	2,934	1,059,570,793	1,085,876,749	1,112,635,359	1,140,496,424
FUND TYPE					
General Fund		321,840,179	249,997,615	258,909,558	269,021,235
Transportation Fund		2,020,479	2,021,702	2,021,702	2,021,702
Special Fund		128,506,227	213,404,053	215,439,006	222,942,400
Federal Revenue Fund		596,228,484	610,965,035	624,979,377	632,989,281
Permanent Trust Fund		8,000	10,000	10,000	10,000
Enterprise Fund		0	0	3,111	115,842
Internal Service Fund		2,827,642	1,937,054	1,962,900	3,216,473
Interdepartmental Transfer		8,139,782	7,541,290	9,309,705	10,179,491
TOTAL		1,059,570,793	1,085,876,749	1,112,635,359	1,140,496,424

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Human Services**

	Aging and Disabilities (4.05%)
	Corrections (8.35%)
	Developmental Disabilities Council (.04%)
	Developmental and Mental Health Services (16.52%)
	Health (6.59%)
	Human Services Board (.03%)
	Office of Economic Opportunity (1.02%)
	Office of Child Support Services (.88%)
	PATH (51.71%)
	Secretary of Human Services (1.22%)
	Social and Rehabilitation Services (9.59%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of Human Services

Department Mission Statement

The mission of the AHS Office of the Secretary is to:

- ensure that citizens, policy makers, and service providers are knowledgeable about the well being of Vermonters;
- promote integrated planning, delivery, and evaluation of resources and services; and
- ensure that Agency resources (personnel, fiscal, technology, and space) are managed effectively.

Description of Appropriations, Divisions, & Programs

Division of Administrative Services: Including Fiscal, Information Technology, Personnel and Rate Setting Units:

Fiscal Unit:

The Fiscal Unit coordinates the development of the Agency's budget to ensure that departmental programs reflect the Governor's priorities and are in compliance with legislative requirements. The unit develops financial status reports and monitors key program performance indicators for each Agency department and office. The fiscal unit also coordinates all federal block grant and statewide single audit functions, development of the AHS indirect rate, and updates of federal cost allocation plans.

Information Technology Unit:

The information technology unit assures that software and hardware support services are functioning at optimum levels in the central office and coordinates the development and maintenance of an agency web page. Applications and systems necessary to support the mission of the Agency are developed and coordinated by the unit.

Personnel Unit:

Personnel staff support all Agency human resource development actions, including ,but not limited to, recruitment of new hires, promotions, demotions, transfers, performance evaluation, and worker's compensation for an agency workforce of approximately 3,000 employees.

Division of Planning:

The Division works in partnership with communities and state entities to improve the well-being of

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of Human Services

Vermonters through the planning, coordination, and evaluation of human services. The Division engages in prevention planning, training and technical Assistance, and evaluation with AHS Departments and other state agencies and non-governmental partners. It assists communities to assess their strengths and assets and to articulate clear and consistent goals, develop integrated and effective strategies, and deploy resources efficiently. The Division also engages in federal grant compliance monitoring and helps communities to evaluate their initiatives. The Division publishes annual summaries of Vermont state and community performance on more than 50 indicators of well-being.

Rate Setting:

The Unit audits and establishes Medicaid payment rates for nursing facilities for the Department of Prevention, Assistance, Transition, and Health Access (PATH), intermediate care facilities for people with developmental disabilities for the Department of Developmental and Mental Health Services, and private non-medical institutions for the Department of Social and Rehabilitation Services (SRS). Through the application of its rules, the Unit evaluates the reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Human Services Board:

The Board is a citizen's panel consisting of seven members created by the legislature pursuant to 3 V.S.A., ? 3090. Its duties are to act as a fair hearing board for appeals brought by individuals who are aggrieved by decisions or policies of departments and programs within the Agency of Human Services. The Board conducts hearings and issues written decisions in accordance with its rules and its statutory responsibilities. The Board also certifies Family Court copies of Child Support Orders issued by the Board prior to the creation of the Family Court.

Vermont Developmental Disabilities Council:

The D.D. Council works to ensure that all people with developmental disabilities receive the opportunities, assistance, and services necessary to live independently and productively in integrated community settings. The Council engages in advocacy, capacity building, and systems change activities. It contributes to a self-directed and family-centered system of community services, individualized supports, and other forms of assistance that enable self-advocates to exercise self-determination, be independent, productive, and included in all facets of community life.

Drug Education, Treatment, Enforcement and Rehabilitation Program:

The administration proposes spending \$973,107 to help mitigate mounting substance abuse pressures in Vermont. The proposal will promote drug prevention through an increase of 20 Student Assistance Professionals in middle and high schools throughout the state. Additionally, substance abuse treatment will be increased through funding for outpatient clinical services and for the opening of an opiate treatment center through a request for proposal process. The \$973,107 is estimated to generate an

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of Human Services

additional \$736,800 in federal funds.

Appropriation Key Budget Issues

Success By Six and Parent Child Centers

We have four different programs providing family home visits to help ensure children get off to a healthy start. We need to streamline those programs and here is how we will do it:

The Success By Six, Healthy Babies, Family Partnership, and Children's Upstream Services programs will be coordinated to ensure services for families are connected and unnecessary duplication is avoided. The Secretary will designate a policy team to work with the Early Childhood Steering Committee and local early childhood councils, to develop an integrated plan that recommends system and policy changes that will promote better coordination and consistency in the delivery of services. Expected completion date: October 2002.

We will use existing State General Fund dollars allocated for Success By Six and Parent Child Centers to leverage additional federal resources to further strengthen community capacity to serve young families. While general fund will be reduced in this area as a budget reduction effort, federal funds will be drawn down to assure that services are not diminished. Expected completion date: July 2002.

We will develop a standardized assessment process across home visiting programs to foster better coordination and consistency without undermining important flexibility at the local level. Expected completion date: September 2002.

The High Risk Program

Schools, families and social service organizations struggle to serve a small yet growing number of children who have extraordinary needs that do not fit cleanly into existing categorically funded programs and require complicated clinical interventions from multiple organizations. Parents of a child with extraordinary needs should never have to give up custody of their child to the state, just to get the care they need. Here is what we will do to help:

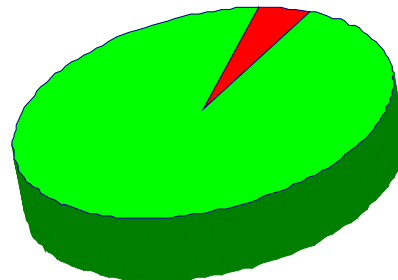
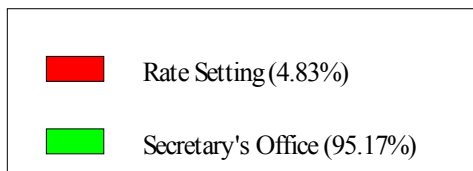
We will establish a \$500,000 High Risk Pool with State General Fund dollars to be overseen by the Secretary and AHS Commissioners, to ensure that Vermonters with clinically complex needs that existing programs cannot serve receive comprehensive and timely services. Expected completion date: July 2002.

Access to the High Risk Pool will be decided predominantly, but not exclusively, in conjunction with the State Interagency Team. As individual cases are reviewed and trends emerge, this approach will help to change the culture of compartmentalized thinking and allow for better systems in the future. Expected completion date: Ongoing after establishment of High risk Pool

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary of Human Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Secretary's Office	52	10,992,317	12,305,398	12,730,614	13,226,012
Rate Setting	9	609,132	655,480	671,912	671,457
TOTAL	61	11,601,449	12,960,878	13,402,526	13,897,469
FUND TYPE					
General Fund		3,970,566	4,367,245	4,377,214	3,678,728
Special Fund		161,479	789,000	789,000	1,794,000
Federal Revenue Fund		6,643,413	6,703,153	6,865,289	6,537,442
Enterprise Fund		0	0	3,111	115,842
Interdepartmental Transfer		825,991	1,101,480	1,367,912	1,771,457
TOTAL		11,601,449	12,960,878	13,402,526	13,897,469



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	3,458,200	3,210,920	3,286,136	2,745,941
Operating Expenses	1,246,113	1,244,018	1,244,018	1,268,130
Grants	6,288,004	7,850,460	8,200,460	9,211,941
<hr/> TOTAL	<hr/> 10,992,317	<hr/> 12,305,398	<hr/> 12,730,614	<hr/> 13,226,012
FUND TYPE				
General Fund	3,970,566	4,367,245	4,377,214	3,678,728
Special Fund	161,479	789,000	789,000	1,794,000
Federal Revenue Fund	6,643,413	6,703,153	6,865,289	6,537,442
Enterprise Fund	0	0	3,111	115,842
Interdepartmental Transfer	216,859	446,000	696,000	1,100,000
<hr/> TOTAL	<hr/> 10,992,317	<hr/> 12,305,398	<hr/> 12,730,614	<hr/> 13,226,012

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Rate Setting

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	566,526	593,304	609,736	614,628
Operating Expenses	42,606	62,176	62,176	56,829
<hr/> TOTAL	<hr/> 609,132	<hr/> 655,480	<hr/> 671,912	<hr/> 671,457
FUND TYPE				
Interdepartmental Transfer	609,132	655,480	671,912	671,457
<hr/> TOTAL	<hr/> 609,132	<hr/> 655,480	<hr/> 671,912	<hr/> 671,457

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Services Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Human Services Board	4	237,411	251,474	258,378	285,259
<hr/> TOTAL	<hr/> 4	<hr/> 237,411	<hr/> 251,474	<hr/> 258,378	<hr/> 285,259
FUND TYPE					
General Fund		110,739	98,500	101,124	121,879
Federal Revenue Fund		117,176	114,706	117,951	123,498
Interdepartmental Transfer		9,496	38,268	39,303	39,882
<hr/> TOTAL		<hr/> 237,411	<hr/> 251,474	<hr/> 258,378	<hr/> 285,259

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Human Services Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	221,391	232,382	239,286	258,967
Operating Expenses	16,020	19,092	19,092	26,292
<hr/> TOTAL	<hr/> 237,411	<hr/> 251,474	<hr/> 258,378	<hr/> 285,259
FUND TYPE				
General Fund	110,739	98,500	101,124	121,879
Federal Revenue Fund	117,176	114,706	117,951	123,498
Interdepartmental Transfer	9,496	38,268	39,303	39,882
<hr/> TOTAL	<hr/> 237,411	<hr/> 251,474	<hr/> 258,378	<hr/> 285,259

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Developmental Disabilities Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Dev. Disabilities Council	2	252,484	403,093	405,236	473,083
TOTAL	2	252,484	403,093	405,236	473,083
FUND TYPE					
Federal Revenue Fund		252,484	403,093	405,236	473,083
TOTAL		252,484	403,093	405,236	473,083

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Dev. Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	55,827	94,177	96,320	115,736
Operating Expenses	22,404	37,011	37,011	36,554
Grants	174,253	271,905	271,905	320,793
<hr/> TOTAL	<hr/> 252,484	<hr/> 403,093	<hr/> 405,236	<hr/> 473,083
FUND TYPE				
Federal Revenue Fund	252,484	403,093	405,236	473,083
<hr/> TOTAL	<hr/> 252,484	<hr/> 403,093	<hr/> 405,236	<hr/> 473,083

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services**

Department Mission Statement

The mission of the Office of Child Support is to improve children's economic security by obtaining child support obligations and payments.

The Office of Child Support (OCS) manages the Vermont child support program under Title IV-D of the Social Security Act by enforcing ordered child support obligations, establishing child support, medical support, parentage orders, and locating missing noncustodial parents. As the result of collecting and disbursing child support payments, this program improves the financial condition of many children while it also avoids and offsets major expenditures by Vermont taxpayers for Temporary Aid to Needy Families (TANF) payments, social services, and health care financing. OCS collected over \$49.9 million dollars in SFY' 02 and targets over \$53 million in SFY' 03.

Description of Appropriations, Divisions, & Programs

Title IV-D of the Social Security Act requires states have child support programs. The Vermont Office of Child Support (OCS) is the sole organization in the State of Vermont responsible for the child support program. Vermont OCS consists of one program- child support, which is mandated under federal law and state statute. Ultimately, Vermont OCS is required by law to perform the complete array of our existing services regardless of budgetary circumstances.

OCS is funded by State and Federal contributions and additional funds come from federal incentives attached to a state's performance. OCS earns performance incentives for meeting or exceeding federal performance benchmarks for specific performance indicators. The level of incentives received from the federal government, depends on our level of performance. The long-term effect of budgetary reductions could impact our program performance and our incentives which help to fund our program. This program brings approximately \$50 million dollars into the State of Vermont economy and ultimately costs the State of Vermont approximately \$1 million in general funds.

Vermont OCS is ranked second in the nation with the percentage of cases in which collections are being received. In September 2000, the federal Office of Child Support Enforcement regional office in Boston recognized Vermont OCS for increasing collections by 300% over the last decade while the average increase of other New England child support agencies was half that. In May 2001, the Vermont Council for Quality awarded Vermont's Office of Child Support the U.S. Senate Productivity Award, given to an organization that has demonstrated great productivity. In light of our accomplishments, OCS realizes there is still much more to do in our efforts to collect child support for families.

For the families we serve, OCS sees collections as the most critical outcome. OCS has collected over

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services

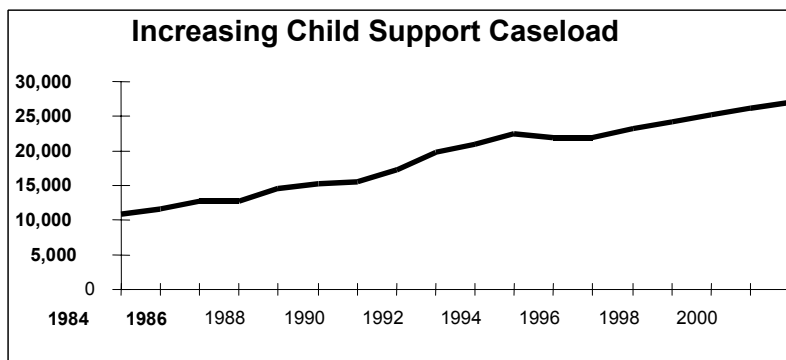
\$250 million for our customers over the past six years. In addition to child support, OCS obtains medical insurance provisions in court orders. When parents provide medical insurance, potential Medicaid expenditures can be avoided. Nationally, child support organizations are seen as a key partner in the challenge of avoiding unnecessary Medicaid spending.

During hard economic times, collections are critical. Receiving child support often makes the difference in families being required to apply for state financial assistance programs or remaining independent and self-supporting. Child support collections are seen as a cost avoidance remedy for states in the challenge to reduce enrollment in state financial assistance programs.

While collecting child support last year, OCS also worked to improve our association with our customers by fully staffing our customer service unit, launching an interactive website, distributing parent handbooks, and holding family child support awareness events.

OCS also:

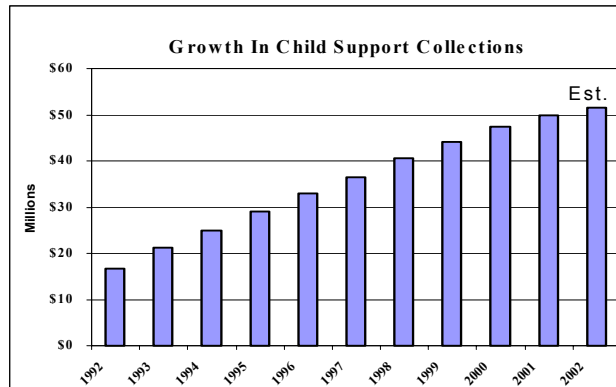
- Collected money in 65% of its cases compared to 37% nationally.
- Collected almost \$50 million in child support.
- Handled more than 27,000 cases.
- Responded to more than 366,000 calls through our automated telephone service (53,000 were handled by customer service representatives).
- Scheduled approximately 10,000 court appearances by legal staff.
- Entered 9,000 court orders on our computer system.
- Averaged a caseload of more than 800 cases per child support specialist.
- Processed over 500,000 receipt transactions.



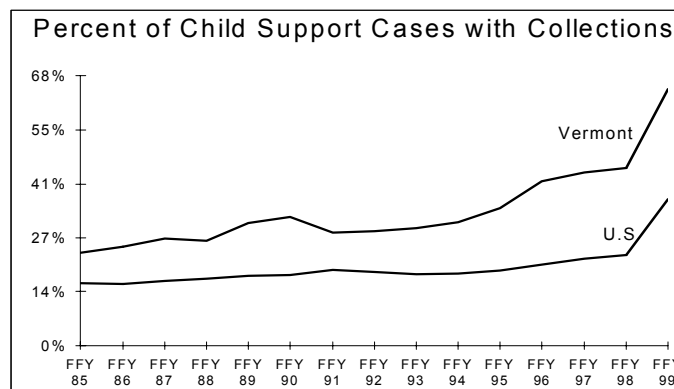
Two Key Performance Indicators:

1. Collections are critical as an OCS outcome. The State of Vermont funds OCS with approximately \$1 million in general fund, which we anticipate will generate child support in excess of \$53 million for SFY'03 for families or as a recovery of welfare expenditures.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services**



2. OCS collected child support in 65% of its cases during FFY '99 (compared to the 37% national average). OCS will continue to improve, focusing on the 35% of cases that do not receive the child support they are entitled to.

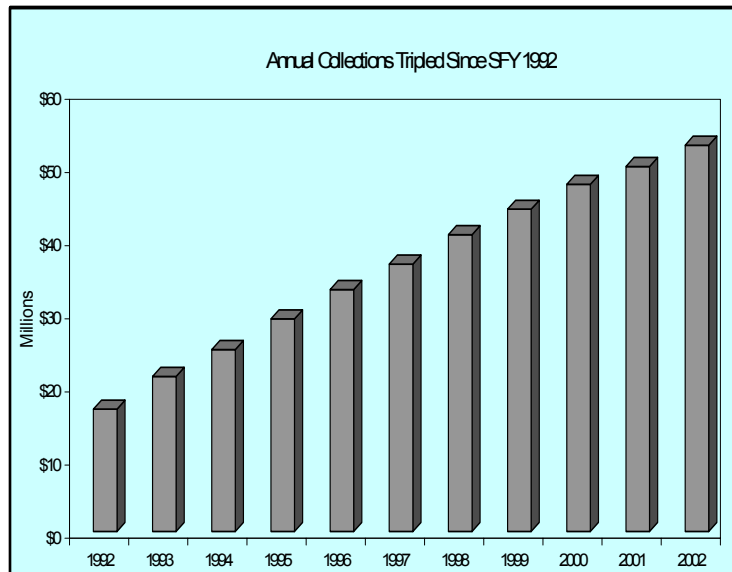


Performance Program Information

Two Key Performance Indicators:

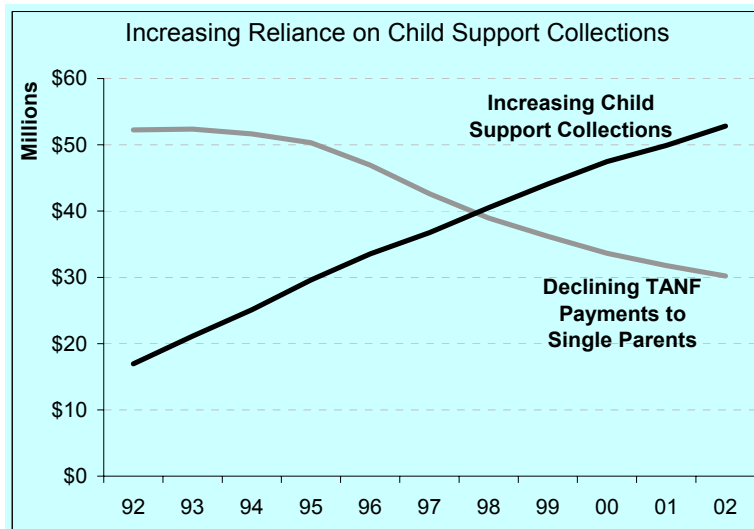
1. Collections are critical as an OCS outcome. The State of Vermont funds OCS with approximately \$1 million in general fund, which we anticipate will generate child support in excess of \$53 million for SFY'03 for families or as a recovery of welfare expenditures.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services**



Source: Office of Child Support SFY 2003 Budget

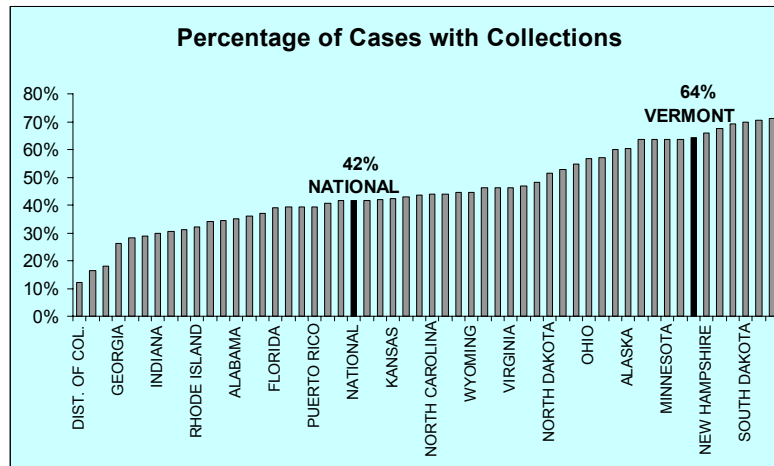
In addition, welfare reform in Vermont has generated an increased reliance on child support payments as a method for sustaining low-income families. Many Reach Up recipients receive both child support and public assistance. Caseload trends have moved increasingly from public assistance cases to non-public assistance cases. Vermont now collects and disburses more child support than public assistance payments each year to single parent households. With the advent of time limits for public assistance and the increasing fragility of this safety net, child support payments are a crucial way for parents to sustain their families.



*Source: Office of Child Support and Department of PATH, SFY
2003 Budget, SFY Collections*

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services**

2. OCS collected child support in 64% of its cases during FFY '00 (compared to the 42% national average). OCS will continue to improve, focusing on the 36% of cases that do not receive the child support they are entitled to.



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support Services

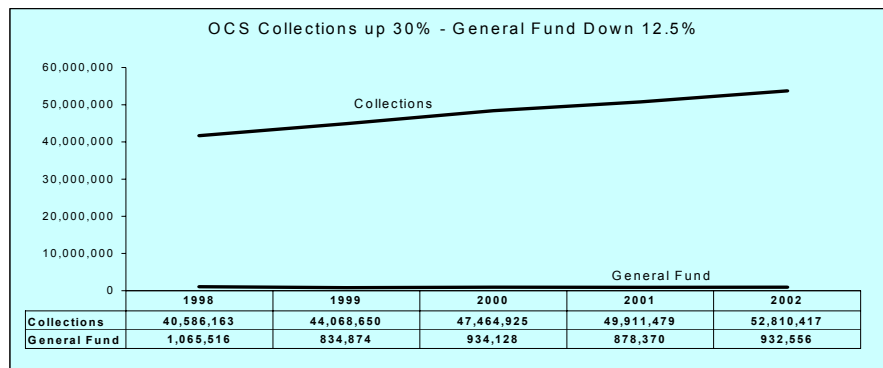
DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Office of Child Support	0	9,284,938	9,776,157	9,982,593	10,082,641
<hr/> TOTAL	<hr/> 0	<hr/> 9,284,938	<hr/> 9,776,157	<hr/> 9,982,593	<hr/> 10,082,641
FUND TYPE					
General Fund		939,620	1,086,425	1,107,481	1,114,864
Special Fund		345,660	454,125	465,170	454,125
Federal Revenue Fund		7,892,558	8,128,507	8,302,842	8,406,552
Interdepartmental Transfer		107,100	107,100	107,100	107,100
<hr/> TOTAL		<hr/> 9,284,938	<hr/> 9,776,157	<hr/> 9,982,593	<hr/> 10,082,641

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support**

Appropriation Key Budget Issues

OCS is funded by State and Federal contributions and additional funds come from federal incentives attached to a state's performance. OCS earns performance incentives for meeting or exceeding federal performance benchmarks for specific performance indicators. The level of incentives received from the federal government depends on our level of performance. The long-term effect of budgetary reduction impacts our program performance and our incentives which help to fund our program. This program brings approximately \$53 million dollars into the State of Vermont economy and ultimately costs the State of Vermont approximately \$1 million in general funds.

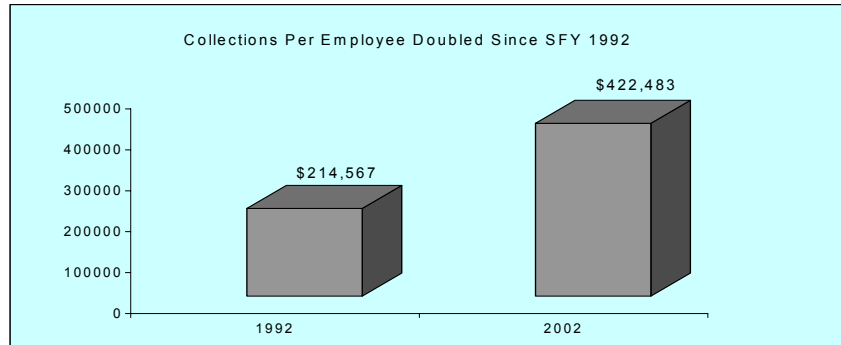


Source: Office of Child Support SFY 2003 Budget

Continually rising caseloads with fixed or declining resources will continue to put pressure on the Office of Child Support's ability to provide services.

Title IV D of the Social Security Act requires states to have a child support program. In Vermont, the Office of Child Support is the sole organization responsible for the child support program, and child support is the only program within the office. It is mandated under federal law and state statute to perform the complete array of services available to anyone requesting child support assistance regardless of any budgetary pressures. All applications for services must be accepted. With rising caseloads and the possibility of reduced resources, collections and the federal funding based on performance incentives will be in jeopardy. As budgetary pressures increase, it could mean the loss of resources and, in turn, the loss of collections to families. Without child support, these families are more likely to need public assistance.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Child Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	6,492,804	6,600,665	6,807,101	7,349,794
Operating Expenses	2,848,491	3,175,492	3,175,492	2,732,847
Grants	(56,359)	0	0	0
Land Structures & Improve Budg	2	0	0	0
<hr/> TOTAL	<hr/> 9,284,938	<hr/> 9,776,157	<hr/> 9,982,593	<hr/> 10,082,641
FUND TYPE				
General Fund	939,620	1,086,425	1,107,481	1,114,864
Special Fund	345,660	454,125	465,170	454,125
Federal Revenue Fund	7,892,558	8,128,507	8,302,842	8,406,552
Interdepartmental Transfer	107,100	107,100	107,100	107,100
<hr/> TOTAL	<hr/> 9,284,938	<hr/> 9,776,157	<hr/> 9,982,593	<hr/> 10,082,641

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health

Department Mission Statement

The Vermont Department of Health is the state's public health agency which works to protect and improve the health of Vermont's population through its core public health functions which include:

- Preventing epidemics and the spread of disease
- Protecting health through the environment, housing, food and water
- Promoting healthy behaviors
- Responding to disasters and assisting communities in recovery
- Assuring the quality and accessibility of medical care
- Reaching out to link special populations to services
- Providing direct services as needed
- Providing sound public health policy and planning

Description of Appropriations, Divisions, & Programs

The Department of Health is organized into six divisions:

- Administration
- Health Protection
- Health Surveillance
- Health Improvement
- Community Public Health
- Alcohol and Drug Abuse Programs

Beginning in fiscal year 2003, the Board of Medical Practice was established as an office in the Department of Health.

Working with partners throughout Vermont and nationally, the Health Department seeks to protect the public against epidemics and the spread of disease. Much of our focus is on enhancing the health of children and adults through promotion of high quality prenatal care, childhood immunizations, healthy lifestyle advice, and prevention of addictive behaviors. The Department gathers population based information and makes this information available to communities through Health Status Reports so that community members can take action to improve health outcomes.

The Health Department's activities are guided by the goals and objectives laid out in Healthy Vermonters 2010, the state's blueprint for improving public health. Over the past 10 years, public health in Vermont has improved in many areas. We have met or made substantial progress towards more than two-thirds of the goals established in Healthy Vermonters 2000, the predecessor to Healthy Vermonters

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health

2010.

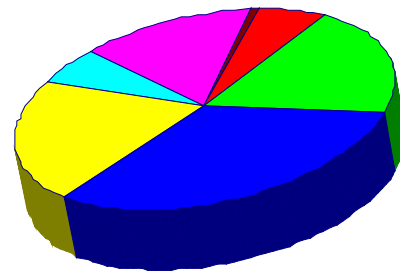
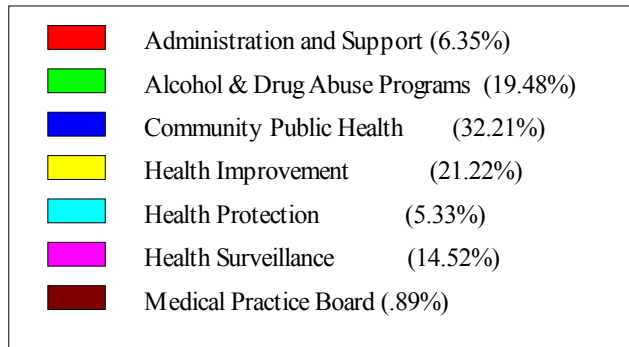
A national research organization, Morgan Quitno, has ranked Vermont as the nation's healthiest state in 2001 and 2002. This comparative ranking process considers measures such as infant mortality rates, teen birth rates, the percent of population not covered by health insurance, per capita expenditures for health care, percent of population lacking access to primary medical care, childhood immunization rates, and percent of adults who smoke. The 2002 ranking noted that "(Vermont) has earned this honor for a second straight year because of its excellent record, particularly in the area of reproductive health."

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration and Support	64	4,119,865	3,695,231	3,785,282	4,769,572
Health Protection	48	4,401,268	3,539,416	3,849,242	4,005,715
Health Surveillance	114	11,116,414	9,570,477	9,972,638	10,910,708
Health Improvement	71	17,050,372	17,412,031	17,800,739	15,951,495
Community Public Health	199	24,188,520	23,501,725	24,559,258	24,214,876
Alcohol & Drug Abuse Programs	39	15,076,739	14,527,311	15,262,254	14,643,093
Medical Practice Board	6	0	596,239	604,901	671,814
VT Practitioner Health Program	0	0	40,000	40,000	0
TOTAL	541	75,953,178	72,882,430	75,874,314	75,167,273
FUND TYPE					
General Fund		17,250,564	16,916,678	17,199,327	16,874,579
Special Fund		9,411,706	10,150,311	10,223,114	8,056,494
Federal Revenue Fund		48,408,125	45,118,757	47,545,395	49,411,670
Permanent Trust Fund		8,000	10,000	10,000	10,000
Interdepartmental Transfer		874,783	686,684	896,478	814,530
TOTAL		75,953,178	72,882,430	75,874,314	75,167,273

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

Description of Appropriations, Divisions, & Programs

The Administration appropriation includes:

- the Commissioner's Office (department management, public information and legal);
- Information Technology Services,
- Budget and Grants Management,
- Business Office (accounts receivable, accounts payable, payroll, support services)

The Commissioner's Office provides policy direction and guidance to staff and programs of the Department. In addition, the Office keeps the public informed of issues that may affect their health and wellbeing through press releases, press conferences and responding to multiple daily press inquiries seeking information related to matters affecting public health. Information on community health is made available to the public through periodic release of the Health Status Report and through establishing broad health goals such as are included in Healthy Vermonters 2010.

Information technology services maintains a 500+ user network serving 15 sites statewide. Staff develop, support and maintain a large number of custom software applications serving department programs. The unit supports a key national public health initiative to develop a national electronic disease surveillance and reporting system.

Budget and grants management staff manage the department's overall budget and spending. The unit manages the budgets for the nearly 100 federal and foundation funding sources that make up two thirds of the department's budget.

The business office provides financial and logistics support for all department operations.

Appropriation Key Budget Issues

Developing plans for public health preparedness for bioterrorism has been and will continue to be a top priority for the Commissioner's Office. The project, funded through a federal grant, has involved the reassignment of many staff, and forced difficult balancing of program priorities.

The department's growing reliance on federal and special funds is a challenge to the budget and grants management staff. The shrinking share of General Funds as a portion of the overall budget must be carefully applied to match and maintenance of effort requirements of grants, and staff seek every opportunity to leverage available GF.

The proposed FY 2004 GF budget for this appropriation will require that one position be either eliminated or entirely funded by another source.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,893,048	2,771,898	2,861,949	3,786,016
Operating Expenses	1,207,017	923,333	923,333	983,556
Land Structures & Improve Budg	19,800	0	0	0
<u>TOTAL</u>	<u>4,119,865</u>	<u>3,695,231</u>	<u>3,785,282</u>	<u>4,769,572</u>
FUND TYPE				
General Fund	1,350,003	1,100,033	1,129,699	1,025,566
Special Fund	89,707	76,751	75,443	25,000
Federal Revenue Fund	2,642,255	2,513,447	2,574,290	3,713,396
Interdepartmental Transfer	37,900	5,000	5,850	5,610
<u>TOTAL</u>	<u>4,119,865</u>	<u>3,695,231</u>	<u>3,785,282</u>	<u>4,769,572</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Protection

Description of Appropriations, Divisions, & Programs

The Health Protection appropriation includes:

- Office of the Chief Medical Examiner

Performs autopsies and investigates unexpected deaths from violence, injury, suicide, drugs or other circumstances. Approximately 350 autopsies are performed each year.

- Emergency Medical Services

Responsible for standard setting, regulation and planning for Statewide Emergency Medical Services systems, training, technical assistance and program development for local services, and licensing and certification of all personnel and emergency equipment. This program maintains certification of 3,000 pre-hospital medical personnel, 171 local EMS organizations and 220 ambulances.

- Radiological Health Services

Radiological Health aims to minimize occupational, general public and patient radiation exposure by registering and inspecting radiation sources, conducting environmental surveillance for the Vermont Yankee nuclear power plant and providing technical assistance. Coordinates the Vermont Yankee emergency response components relating to health.

- Food and Lodging Services

Inspects and licenses all restaurants, hotels, motels, inns, delis, bakeries, school food service facilities, summer camps, and fairs to prevent foodborne illness. Approximately 5,700 establishments statewide are subject to inspection.

- Environmental Health programs.

Evaluates the potential risks to health posed by contaminants in housing, food, water, and air. Performs toxicological and risk assessment analyses, operates asbestos certification program, childhood lead poisoning prevention program, school indoor air program, coordinates development of state asthma plan and enforces the Clean Indoor Air Act.

Appropriation Key Budget Issues

The fiscal year 2003 budget eliminated General Fund support for the School Indoor Air (Act 125) Program. Program activities have been maintained at a reduced level through use of federal funding sources. Fiscal year 2003 rescissions reduced staffing for the EMS and radiological health programs.

A key budget issue for this appropriation is the funding for Health Department activities related to the Vermont Yankee nuclear power plant. The Department performs ongoing environmental monitoring in

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Protection

the vicinity of the plant, and has a major role in the Vermont Radiological Emergency Response Plan.

These activities are intended to be paid for through the Radiological Emergency Response Plan special fund administered by the Division of Emergency Management in the Public Safety Department. If funding from this source in fiscal year 2004 is insufficient to fund all budgeted activities, Health Department activities will need to be curtailed or a General Fund subsidy will be required.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	3,469,264	2,766,855	2,807,883	3,078,754
Operating Expenses	788,079	650,861	650,861	650,861
Grants	143,925	121,700	390,498	276,100
<hr/> TOTAL	<hr/> 4,401,268	<hr/> 3,539,416	<hr/> 3,849,242	<hr/> 4,005,715
FUND TYPE				
General Fund	1,560,838	1,267,068	1,304,457	1,320,897
Special Fund	857,535	927,500	927,500	972,500
Federal Revenue Fund	1,646,484	1,010,793	1,252,285	1,262,501
Interdepartmental Transfer	336,411	334,055	365,000	449,817
<hr/> TOTAL	<hr/> 4,401,268	<hr/> 3,539,416	<hr/> 3,849,242	<hr/> 4,005,715

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Surveillance**

Description of Appropriations, Divisions, & Programs

The Health Surveillance appropriation includes funding for

- Public Health Laboratory

The laboratory performs over 180,000 laboratory tests annually to identify infectious diseases toxins or contaminants in air, food, water and clinical samples.

- Epidemiology

The unit investigates and monitors reportable diseases and operates programs that provide services and prevention for sexually transmitted disease, HIV/AIDS, hepatitis, and tuberculosis.

- Immunization

The unit provides over 290,000 doses of vaccine to children and adults, assures adherence to vaccination procedures and policies.

- Chronic Disease

The unit provides investigates and monitors chronic disease and operates screening programs for breast and cervical cancer and other conditions.

- Public Health Statistics

The unit provides statistical and analytical support to all department programs, maintains and analyzes vital records (births, deaths, marriages, civil unions, fetal deaths, and abortions), conducts health surveys, and operates the Vermont Cancer Registry.

Appropriation Key Budget Issues

This division has a key role in the program for bioterrorism preparedness. The epidemiology unit is responsible for establishing a surveillance system for early detection of diseases or syndromes that could be caused by bioterrorism. The public health laboratory must develop the capacity to quickly and accurately test for the most likely bioterrorist agents.

The proposed FY 2004 GF budget for this appropriation assumes that the laboratory will be funded through an additional \$100,000 in fee revenue. This will be accomplished primarily through establishing fees for a number of clinical tests and seeking payment from health insurers for eligible services.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Surveillance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	5,758,458	5,254,553	5,429,514	6,391,995
Operating Expenses	2,299,163	1,795,124	1,795,124	1,832,713
Grants	3,056,557	2,520,800	2,748,000	2,686,000
Land Structures & Improve Budg	2,236	0	0	0
<hr/> TOTAL	<hr/> 11,116,414	<hr/> 9,570,477	<hr/> 9,972,638	<hr/> 10,910,708
FUND TYPE				
General Fund	3,589,389	3,621,995	3,719,196	3,722,469
Special Fund	949,712	1,022,250	959,500	1,029,250
Federal Revenue Fund	6,462,349	4,833,167	5,196,042	6,063,989
Permanent Trust Fund	8,000	10,000	10,000	10,000
Interdepartmental Transfer	106,964	83,065	87,900	85,000
<hr/> TOTAL	<hr/> 11,116,414	<hr/> 9,570,477	<hr/> 9,972,638	<hr/> 10,910,708

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Improvement**

Description of Appropriations, Divisions, & Programs

Division of Health Improvements programs include Rural Health, Primary Care, Critical Access Hospitals, the Office of Minority Health, Maternal and Child Health, Public Health Nutrition, Diabetes, Dental Health, Health Promotion and the Tobacco Control Program which has a separate Appropriation in FY03. Much of the work is funded by Federal grants and to a lesser extent by grants from private foundations. State funds are used primarily to meet federal match requirements. Those general funds not encumbered by federal matching requirements are applied as much as possible to draw down Medicaid funds.

To a large extent, we accomplish public health goals by engaging and supporting community partners. These partnerships are crucial in the effort to create the changes in life style or practice patterns that ultimately enhance health outcomes.

Appropriation Key Budget Issues

The proposed FY 2004 GF budget for this appropriation:

- eliminates one clerical position in the dental unit;
- reduces by one-half (\$37,500) the amount available for dental access grants;
Vermont has recently been awarded a three year grant from the Robert Wood Johnson Foundation to address dental access for Medicaid clients. This grant will provide over \$300,000 a year to address this issue.
- eliminates GF support for the public health nutrition chief position;
This will require that the position be limited to part time or that new or redirected federal funds be found to fund it.
- assumes an increase of approximately \$67,000 in third party billings for CSHN program.
This will not have an impact on services or client costs, but the billing process will increase demands on information technology services unit and administrative staff.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Improvement**

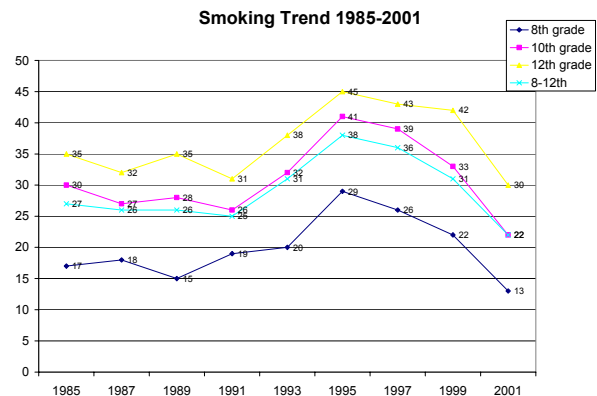
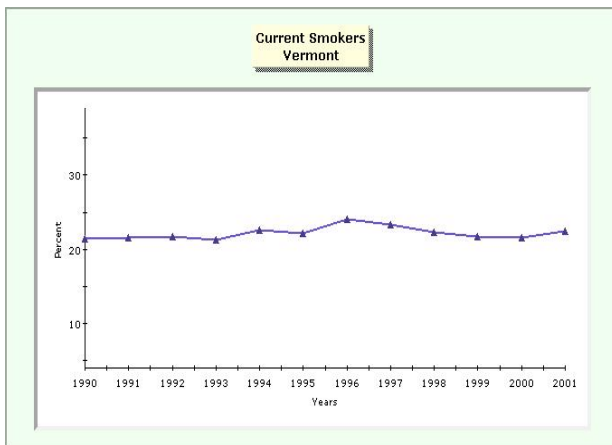
Performance Program Information

Tobacco Control Program

Results

The Vermont Department of Health Tobacco Control Program's goal is to reduce youth and adult smoking by 50% by 2010.

Key Indicators



Story Behind Baseline Performance

Tobacco use causes 1000 deaths in Vermont each year. Smoking causes heart disease, cancer of the lung, larynx, esophagus, pharynx, mouth and bladder, and chronic lung disease. Even with minimal funding, Vermont was able to pass two important pieces of legislation, the Worksite Smoking Law and the Clean Indoor Air Act, which set the stage for making not smoking the social norm and substantially reduced non-smokers' exposure to environmental tobacco smoke. The program got a tremendous boost in FY01 with the first investment of funds from the national settlement agreement between states and the tobacco industry. The lawsuit aimed to make manufacturers liable, at least in part, for the cost their products impose on state governments. These funds enabled the State to establish a comprehensive tobacco control program based on Centers for Disease Control and Prevention recommendations and input from nearly 3,500 Vermonters. Program components include community action, effective school-based curricula, countermarketing, enforcement of anti-tobacco policies, help for smokers who want to quit, education of health care professionals in their role in preventing smoking, and surveillance and evaluation to determine program effectiveness.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Improvement

Partners

Public sector - Department of Education (school-based curricula)
Department of Liquor Control (enforcement)
Community coalitions

Private sector – American Cancer Society
American Lung Association – Vermont Chapter
Vermont Association of Hospitals and Health Systems
University of Vermont
Vermont State Dental Society

Tobacco Control Program

Strategy

To effectively reduce tobacco use, resources must be directed to both preventing youth from starting to smoke and getting current smokers to quit. Preventing youth initiation works best with a combination of school-based curricula that teach youth to make healthy choices, community actions to change norms about tobacco use, and marketing to counter the messages promoted by the tobacco industry. Getting smokers to quit requires that cessation support services be readily accessible for those ready to quit, and, for those not yet considering quitting, moving them toward making that decision. The Tobacco Control Program will meet performance targets by doing the following:

Reducing youth smoking rates:

- Continue collaboration with the Department of Education to ensure that research based school health curricula are offered in Vermont schools
- Continue countermarketing campaigns that target youth with the truth about tobacco
- Fund community coalitions to work toward changing community norms around tobacco use and preventing youth initiation
- Ensure that age appropriate cessation services are available for those youth who are smoking, but want to quit
- Expand peer-based anti-tobacco programs like Vermont Kids Against Tobacco (VKAT) and Our Voices Xposed (OVX)

Reducing adult smoking rates

- Continue offering a system of support for smokers who want to quit, including a toll-free telephone counseling service, research based group classes, and individual counseling
- Continue educating health care professionals on their role in encouraging patients who smoke to quit
- Continue moving smokers who are not yet ready to quit toward quitting by providing information on health risks and the cost of tobacco use

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Improvement

Performance measure	Actual FY00	Actual FY01	Actual FY02	Target FY03	Target FY04
% of youth who have smoked within 30 days	31 (1999)	22	22 (2001)	22	21
% of youth who are daily smokers	13 (1999)	8	8 (2001)	7	6
% retailer compliance with youth access laws	79	82	85 (Jan - Oct.)	80	80
% of adults who smoke	22	22	Not yet available	18	17
% of adult smokers who attempt to quit HV2010 goal – 75%	49	48	Not yet available	55	57

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Health Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	6,891,176	6,343,351	6,467,420	5,713,181
Operating Expenses	825,376	1,492,659	1,492,659	1,492,659
Grants	9,333,820	9,576,021	9,840,660	8,745,655
<hr/> TOTAL	<hr/> 17,050,372	<hr/> 17,412,031	<hr/> 17,800,739	<hr/> 15,951,495
FUND TYPE				
General Fund	3,007,375	2,653,181	2,679,152	2,636,469
Special Fund	5,175,281	4,671,605	4,799,804	2,471,724
Federal Revenue Fund	8,738,545	9,908,681	10,143,219	10,664,738
Interdepartmental Transfer	129,171	178,564	178,564	178,564
<hr/> TOTAL	<hr/> 17,050,372	<hr/> 17,412,031	<hr/> 17,800,739	<hr/> 15,951,495

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Public Health

Description of Appropriations, Divisions, & Programs

The Community Public Health Division includes direct service to Vermonters. These include the supplemental food programs; Women, Infants and Children (WIC) and the Commodity Supplemental Food Program (CSFP) a new federal nutrition program targeted for the at-risk elderly population; screening programs such as the Early Periodic Screening, Diagnosis and Treatment (EPSDT) and the Healthy Babies program and disease prevention programs; Disease Control and Prevention and the Town Health Officer support.

The Community Public Health appropriation funds:

- Twelve district offices around the state

These offices provide the essential health promotion and disease prevention services necessary for an effective public health system. It is through these district offices that most Health Department programs reach the people of Vermont.

- Healthy Babies, Kids & Families program

Health care and support services through pregnancy and delivery and for infants and children from birth to 5 years.

- WIC

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), is a federally funded program to enhance the health of infants, young children, pregnant women and new mothers.

- EPSDT

The Early Periodic Screening, Diagnosis and Treatment (EPSDT) Program for children on Medicaid consists of two main components: (1) assuring the availability and accessibility of required health care resources; and (2) helping Medicaid recipients and their parents or guardians effectively use these resources.

- Town Health Officer Program

Coordinates the appointment process for municipal health officers and aids them in carrying out their duties. Producing manuals and newsletters for municipal health officers to keep them informed of recent environmental health issues and regulations; developing and providing training sessions on public health issues relevant to their work.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Public Health

Appropriation Key Budget Issues

Fiscal year 2003 rescissions led to a substantial reduction in EPSDT activities statewide. General fund savings were achieved by shifting approximately 7.5 FTE of public health nursing staff time from EPSDT (75% federal) to bioterrorism preparedness program (100% federal).

The proposed FY 2004 General Fund budget for this appropriation:

- assumes that \$100,000 in GF personal services costs will be shifted to federal funding;

- reduces GF for Healthy Babies, Kids & Families home visiting by \$100,000;
Spending would be reduced by authorizing fewer visits for lower risk cases to achieve savings.

- reduces GF spending by \$100,000 in the Healthy Babies, Kids & Families program.

The department will replace the current fee for service arrangement with local parent child centers. We will develop contracts with parent child centers in which the grantees' local donated or other eligible funds will be made available to use as Medicaid match. This will not reduce client services.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Public Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	9,980,149	9,561,009	9,881,721	10,621,949
Operating Expenses	1,427,917	1,522,480	1,522,480	1,599,593
Grants	12,780,454	12,418,236	13,155,057	11,993,334
<hr/> TOTAL	<hr/> 24,188,520	<hr/> 23,501,725	<hr/> 24,559,258	<hr/> 24,214,876
FUND TYPE				
General Fund	4,265,576	4,288,988	4,375,289	4,240,485
Special Fund	668,200	558,700	558,700	628,940
Federal Revenue Fund	19,019,703	18,568,037	19,366,105	19,249,912
Interdepartmental Transfer	235,041	86,000	259,164	95,539
<hr/> TOTAL	<hr/> 24,188,520	<hr/> 23,501,725	<hr/> 24,559,258	<hr/> 24,214,876

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse Programs

Description of Appropriations, Divisions, & Programs

The Alcohol & Drug Abuse Programs appropriation funds:

- Alcohol and Drug Research and Planning;

Conducts surveys and analysis to determine the prevalence of substance abuse and treatment needs of communities. Conducts program and fiscal monitoring data analyses and evaluations of key ADAP prevention, intervention, and treatment services to ensure their accessibility, appropriateness, quality, and cost effectiveness. Manages and monitors federal data grants and SAPT Block Grant data reporting.

- Alcohol and Drug Abuse Treatment;

Manages and provides quality assurance for the state's substance abuse treatment system including monitoring programs and licensing of substance abuse counselors. Operates the Drinking Driver Rehabilitation (CRASH) Program. Manages Student Assistance Programs. Funds treatment services for VHAP and uninsured clients. Manages and monitors Medicaid funding of treatment providers.

- Alcohol and Drug Prevention.

Through staff based in district offices, develops community substance abuse prevention coalitions and programs. Collaborates with the Department of Education to help schools and colleges develop comprehensive alcohol and drug abuse prevention programs. Provides funding for prevention programs through grants to schools and community agencies and monitors implementation and results.

Appropriation Key Budget Issues

Payment for substance abuse treatment accounts for two thirds of this appropriation. Treatment needs continue to exceed the capacity of the treatment system. As the system expands to address these needs, this will increase pressure on the treatment budget. Treatment services are level funded in the proposed fiscal year 2004 GF budget.

The proposed FY 2004 General Fund budget for this appropriation reduces GF by \$112,000 through the elimination of two administrative positions in the division.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,474,802	2,146,451	2,226,309	2,182,025
Operating Expenses	503,175	480,942	480,942	480,942
Grants	12,098,762	11,899,918	12,555,003	11,980,126
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	15,076,739	14,527,311	15,262,254	14,643,093
 FUND TYPE				
General Fund	3,477,383	3,985,413	3,991,534	3,928,693
Special Fund	1,671,271	2,257,266	2,257,266	2,257,266
Federal Revenue Fund	9,898,789	8,284,632	9,013,454	8,457,134
Interdepartmental Transfer	29,296	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	15,076,739	14,527,311	15,262,254	14,643,093

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medical Practice Board**

Description of Appropriations, Divisions, & Programs

The Board of Medical Practice licenses physicians (MDs), podiatrists (DPMs) and physician's assistants (PAs). The Board investigates all complaints and charges of unprofessional conduct against any person subject to its jurisdiction. The Board is also required by law to create individual profiles on all health care professionals licensed, certified, or registered by the department and make these profiles available to the public.

Appropriation Key Budget Issues

The Board's activities are funded through an appropriation from the Board of Medical Practice Regulatory Fee Fund. All board regulatory fees received by the department are deposited into this fund and used to offset up to two years of the costs incurred by the board. Most revenue to this fund comes from the biennial license fee payments.

The law that moved the Board to the Health Department requires the Commissioner of Health to review fees from time to time, to ensure that revenues derived by the department are adequate to offset the cost of regulation. At the time of fiscal year 2004 budget preparation, the Department had less than six months of spending data, and incomplete information on license renewal receipts. The Commissioner and the Board will monitor expenditures during fiscal years 2003 and 2004 and will present any proposed changes to fees during the 2004 session of the General Assembly.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medical Practice Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	481,742	490,404	557,317
Operating Expenses	0	114,497	114,497	114,497
<hr/> TOTAL	<hr/> 0	<hr/> 596,239	<hr/> 604,901	<hr/> 671,814
FUND TYPE				
Special Fund	0	596,239	604,901	671,814
<hr/> TOTAL	<hr/> 0	<hr/> 596,239	<hr/> 604,901	<hr/> 671,814

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
VT Practitioner Health Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	40,000	40,000	0
TOTAL	0	40,000	40,000	0
FUND TYPE				
Special Fund	0	40,000	40,000	0
TOTAL	0	40,000	40,000	0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social and Rehabilitation Services

Department Mission Statement

It is the mission of the Department of Social and Rehabilitation Services to promote the social, emotional, and physical well being and safety of Vermont's children and families. This is done through the provision of protective, developmental, therapeutic, probation and support services for children and families in partnership with schools, community partnerships, service providers, families and youth statewide.

Description of Appropriations, Divisions, & Programs

Goals/Objectives

- .. Children served by the Department are safe from abuse.
- .. Children served by the Department have enduring relationships with healthy, nurturing families.
- .. Children served by the Department are successful in family, school, and community.
- .. Youth adjudicated delinquent are free from criminal behavior.
- .. Families have access to a comprehensive child care system that promotes the growth and educational development of children in safe and nurturing environments.
- .. Public and private partnerships are available to enhance the accessibility and availability of high quality child care are promoted.
- .. Comprehensive specialized child care services are provided to children who have been abused or neglected or who are at risk of abuse or neglect to reduce and ameliorate the effects of such treatment.
- .. Professional development of the child care workforce is promoted.
- .. Timely, accurate, and economical medical disability decisions on behalf of the federal Social Security Administration and the Vermont Department of Social Welfare are provided.

Organization

The department is organized into 5 divisions:

Administration and Support: Provides administrative oversight and support to the operating divisions; is responsible for policy and budget development; maintains relationships with other State agencies, the legislature, and federal officials.

Child Care: the Child Care Division regulates the child care system statewide, and operates the child care subsidy program to assist families to access affordable, quality child care.

Disability Determination Services: The DDS is responsible for reviewing and making medical disability decisions on behalf of the federal Social Security Administration and the Department of Prevention, Assistance Transition and Health Access regarding applications for Social Security Benefits.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social and Rehabilitation Services

Social Services: the Social Services Division is responsible for child welfare services, including investigations of abuse and neglect, administering the substitute care system for children who must come into custody, and assuring permanency, including subsidized adoptions. The division is also responsible for administering the juvenile justice system statewide.

Woodside: This division operates the Woodside Juvenile Detention Center, a 28 bed detention and treatment facility.

Population Served

Other than the federally funded Disability Determination Services Division, the Department's services are provided to children and their families. The demand for services is driven by several factors:

Number of children age 0-17 in the population

1990 - 143,003	1995 - 147,619	2000 - 147,455
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Child abuse/neglect reports

Reports		Victims	
1998 - 1883	2001 - 2650	1998 - 887	2001 - 1120
1999 - 2263	2002 - 2650	1999 - 1080	2002 - 1120
2000 - 2604	2003 - 2650	2000 - 1104	2003 - 1120

Family Court delinquency adjudication

1998 - 732	1999 - 786	2000 - 800	2001 - 800	2002 - 800	2003 - 800
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Number of children age 0-12 in regulated child care

1990 - 28,000	1995 - 35,000	2000 - 36,000	2002 - 37,000
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Percent of women in the Vermont workforce with children under the age of 6

1977 - 24%	1987 - 53%	1997 - 66%	1998 - 75%	2000 - 76%	2002 - 78%
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Number of children receiving child care subsidy

1977 - 1,922	1997 - 5,310	1998 - 5,934	2000 - 7,171	2002 - 8,000
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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social and Rehabilitation Services

Number of licensed and registered child care providers

1995 - 2,475 1996 - 2,469 1997 - 2,398 1998 - 2,200 2000 - 1,978 2002 - 2,100

Number of certified legally exempt child care providers

2000 - 1,082 2002 - 1,200 2004 - 1,300

Outcomes

Key indicators of Department success include the following:

- A. Abused and neglected children are protected - Between 1992 and 2000 there was a 26% decline in victims of child abuse.

- B. Delinquent Youth will be well supervised - Percentage of delinquent youth not committing another offense while under supervision:
1997 - 92% 1999 - 90% 2001 - 93% 2003 - 93%

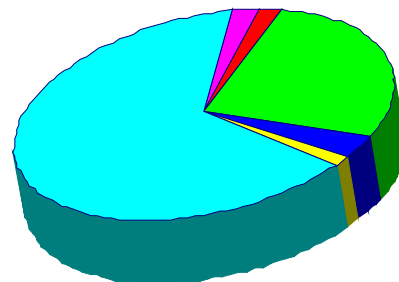
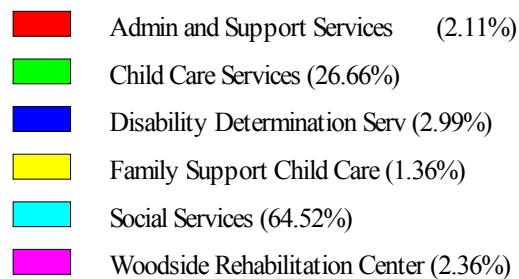
- C. Safe, stable and high quality child care is available - The percentage of regulated child care providers with a Child Development Associate (CDA) credential or national accreditation:
1994 - <1% 1998 - 2.6% 2000 - 12% 2001 - 16% 2002 - 20% 2003 - 22%

- D. Vermonters will receive accurate and timely disability determinations process time - Vermont DDS is ranked first in the nation for overall accuracy.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social and Rehabilitation Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Admin and Support Services	30	2,137,481	2,217,437	2,272,032	2,303,876
Social Services	276	65,889,880	65,162,473	68,358,978	70,572,827
Child Care Services	32	30,730,607	29,567,500	29,640,044	29,162,457
Woodside Rehabilitation Center	31	2,470,399	2,467,081	2,467,081	2,576,692
Disability Determination Serv	31	2,754,517	3,225,031	3,275,493	3,274,627
Family Support Child Care	0	0	1,489,949	1,489,949	1,489,949
TOTAL	400	103,982,884	104,129,471	107,503,577	109,380,428
FUND TYPE					
General Fund		34,325,584	34,196,619	36,810,791	38,576,934
Transportation Fund		75,000	75,000	75,000	75,000
Special Fund		1,945,207	1,869,450	2,300,408	2,313,152
Federal Revenue Fund		67,286,347	67,638,268	67,967,244	68,044,708
Interdepartmental Transfer		350,746	350,134	350,134	370,634
TOTAL		103,982,884	104,129,471	107,503,577	109,380,428



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Admin and Support Services

Description of Appropriations, Divisions, & Programs

Purpose

The Administration and Support Unit consists of the Commissioner's Office, Planning & Evaluation, Legal Services, Human Resource Development Unit and the Business Office. The Unit provides policy direction for the Department of SRS, legal representation and consultation, maintains and supports a computerized management information system for all divisions, and affords the Department a total range of financial services from budget development to daily financial transactions and maintenance of auditable accounting information.

History/Mandate

The SRS Administration and Support Unit provides services to all four operating divisions. The Department's authority is set forth in Chapter 27 of 33 V.S.A.

Goals/Objectives

The primary goal of this Unit is to provide a cohesive, integrated policy in support of services to the populations served by the Department and, further, to provide to program managers the financial and client information necessary for the implementation of policy and delivery of services.

Current Environment/Future Trends

Competition for scarce financial resources coupled with increasingly complex problems, caseloads and intense service requirements has resulted in a requirement for increased management information. SRS currently handles the largest number of contracts and grants of any state agency, challenging Administrative Services to cope with expanded programs. An increasing reliance on expanded federal funds also poses both an opportunity to increase resources and a challenge to ensure that federal requirements are met.

While federal revenues have been maximized, General Funds available to the Department have decreased commensurately. In FY '90 the Department's budget consisted of 60% General Funds. In FY'03 the General Fund share is 32%, and very nearly all of those funds are required for matching of federal funds.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Admin and Support Services

Appropriation Key Budget Issues

Administration & Support

Purpose

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Opportunities

A new data management system for Child Care Services is being developed and implemented. It will offer better financial and management information as well as greatly improved provider reimbursement data.

Pressure Points

The decline in Title IV-E Federal receipts is a significant issue in FY '03 and FY '04. The Department is exploring all areas of bringing in other Federal receipts and protecting IV-E revenues.

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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Admin and Support Services

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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Admin and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,908,179	1,913,986	1,968,581	1,983,970
Operating Expenses	229,302	303,451	303,451	319,906
<hr/> TOTAL	<hr/> 2,137,481	<hr/> 2,217,437	<hr/> 2,272,032	<hr/> 2,303,876
FUND TYPE				
General Fund	1,134,025	1,008,372	1,024,983	1,070,289
Federal Revenue Fund	1,003,456	1,209,065	1,247,049	1,233,587
<hr/> TOTAL	<hr/> 2,137,481	<hr/> 2,217,437	<hr/> 2,272,032	<hr/> 2,303,876

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social Services

Description of Appropriations, Divisions, & Programs

Purpose

The Social Services Division is responsible for child welfare services, including investigation of abuse and neglect, administering the substitute care system for children who must come into custody, and assuring permanency, including subsidized adoptions. The division is also responsible for administering the juvenile justice system statewide.

Major Programs/Activities:

Abuse and Neglect Investigations

The Department is responsible for ensuring that children are protected from child abuse and neglect by commencing investigations of reports within 72 hours and determining what action should be taken.

Protective Services for Abused/Neglected Children

Most families where child abuse/neglect is identified are able to make the changes necessary for their children to live within the family in safety. This assistance includes such services as case management provided by an SRS social worker, protective services child care, parent education, sexual abuse victim treatment, sexual offender treatment, and intensive family based services.

Services for Children and Youth in Custody

When a Judge places a child in custody, the Commissioner of SRS assumes responsibility (and liability) for the well being of that child. Children in custody have the right to expect the same concern and attention to their basic needs for food, clothing, shelter and nurturance that any good Vermont family would show for its own children.

Juvenile Services

The Division works to ensure a probation system that holds delinquent youth accountable for their behavior.

Services for Children and Families in Crisis

Social Services operates three programs designed to assist children and families in crisis. The Emergency Services Program addresses the after-hour needs of children in custody and handles after-hour reports of abuse and neglect. Intensive Family Based Services are available to families where a child is at risk of being removed from the family. The Families First initiative provides services such as mobile crisis outreach, emergency shelter.

Residential Licensing

Residential Licensing Unit has the responsibility for ensuring that foster homes and residential facilities for children meet health, safety and quality standards.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social Services

Outcomes

Key indicators of the Division's success include the following:
Abused and neglected children are protected.

Child Abuse/Neglect investigations commenced within 72 hours

1998 - 96% 1999 - 96% 2000 - 97% 2001 - 97% 2002 - 97% 2003 - 97%

Juvenile Probationers Supervised on:

6/30/94 - 271 6/30/98 - 347 6/30/00 - 451 6/30/02 - 455

Number of adoptions

1997 - 85 1998 - 115 1999 - 120 2000 - 117 2001 - 98 2002 - 125 2003 - 125

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Social Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	15,586,704	15,211,267	15,542,225	16,153,776
Operating Expenses	2,158,216	2,594,729	2,594,729	2,646,669
Grants	48,144,960	47,356,477	50,222,024	51,772,382
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	65,889,880	65,162,473	68,358,978	70,572,827
 FUND TYPE				
General Fund	25,097,541	24,184,266	26,771,827	28,743,507
Special Fund	1,113,207	1,037,450	1,368,408	1,381,152
Federal Revenue Fund	39,679,132	39,940,757	40,218,743	40,448,168
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	65,889,880	65,162,473	68,358,978	70,572,827

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Child Care Services

Description of Appropriations, Divisions, & Programs

Purpose

Established in 1998 (33 VSA Sec 3511) the mission of the Child Care Services Division is to assure a statewide system that promotes and supports safe, accessible, quality child care for Vermont families.

Major Programs/Activities

The Division provides services to children and families, child care providers, state agencies, employers, and community agencies. It is organized into five functional areas, which include the Licensing and Regulatory Unit, the Child Care Subsidy Unit, the Criminal/Child Abuse Records Verification Unit, the Quality Improvement Unit, and the Administrative Unit.

The Licensing Unit is responsible for regulating and monitoring all child care centers, family child care homes and certified legally exempt providers in Vermont. There are 608 licensed child care centers and 1309 family child care home providers statewide. The regulated Child Care System serves approximately 36,000 children ages birth to thirteen. The Child Care Consumer Concern Line provides an avenue for parents seeking information on the regulatory history of a provider or to voice a concern about the quality of their child care. The Concern Line processes over a thousand calls annually and is a critical piece of the public education efforts related to assuring children's safety and well being in child care.

The Subsidy Unit oversees the Child Care Subsidy Program. This program assures financial assistance for child care to families who are income eligible and in need of child care in order to work or go to school. This program also provides protective services child care for children who have been abused or neglected and family support child care for children considered at risk of abuse or neglect. The Child Care Subsidy Program serves over 7,000 children at any given time. Timely access to the subsidy program is essential if eligible families are to enter and remain in the workforce.

The Criminal/Child Abuse Records Verification Unit processes criminal and child abuse records screens on all persons working or volunteering in child care programs. This also includes all individuals age 16 or older who reside in the residence of a family child care home or certified legally exempt provider. Over 40,000 records are screened annually.

The Quality Improvement Unit is responsible for assuring the professional development and career opportunities for the child care workforce, which is comprised of approximately 5,000 Vermonters. This unit works directly with child care providers, resource and referral agencies, other state agencies and community collaborative initiatives to assure professional development activities and child care referral services are integrated as core services in the early childhood system in Vermont.

The Administrative Unit develops policies and procedures for the division, provides contract and grant management, coordinates data collection and utilization and provides general administrative support.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Child Care Services

Challenges and Opportunities

Recruitment and retention of qualified child care providers is a significant issue that impacts the health, safety and developmental well being of the children served. The enhancement of the Child Care Workforce Trust Fund established with the Child Care Apprenticeship Program is a viable strategy to address the compensation, benefits and professional development of the workforce.

Stabilizing child care arrangements for subsidized children is a priority. All too frequently child care placements are disrupted every time the parent's work or employment status changes, resulting in at-risk children being further compromised.

Appropriation Key Budget Issues

CHILD CARE SERVICES DIVISION

Purpose

Established in 1987 (33 VSA Sec 307) the mission of the Child Care Services Division is to assure a statewide system that promotes and supports safe, accessible, quality child care for Vermont families.

Major Programs/Activities

The Division provides services to children and families, child care providers, state agencies, employers, and community agencies. It is organized into five functional areas, which include the Licensing and Regulatory Unit, the Child Care Subsidy Unit, the Criminal/Child Abuse Records Verification Unit, the Quality Improvement Unit, and the Administrative Unit.

The Licensing Unit is responsible for regulating and monitoring all child care centers, family child care homes and certified legally exempt providers in Vermont. There are 616 licensed child care centers and 1270 family child care home providers statewide. The regulated Child Care System serves approximately 36,000 children ages birth to thirteen. The Child Care Consumer Concern Line provides an avenue for parents seeking information on the regulatory history of a provider or to voice a concern about the quality of their child care. The Concern Line processes over a thousand calls annually and is a critical piece of the public education efforts related to assuring children's safety and well being in child care.

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STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Child Care Services

Care Subsidy Program currently serves over 9,000 children at any given time. Timely access to the subsidy program is essential if eligible families are to enter and remain in the workforce.

The Criminal/Child Abuse Records Verification Unit processes criminal and child abuse records screens on all persons working or volunteering in child care programs. This also includes all individuals age 16 or older who reside in the residence of a family child care home or certified legally exempt provider. Over 40,000 records are screened annually.

The Quality Improvement Unit is responsible for assuring the professional development and career opportunities for the child care workforce, which is comprised of approximately 5,000 Vermonters. This unit works directly with child care providers, resource and referral agencies, other state agencies and community collaborative initiatives to assure professional development activities and child care referral services are integrated as core services in the early childhood system in Vermont.

The Administrative Unit develops policies and procedures for the division, provides contract and grant management, coordinates data collection and utilization and provides general administrative support.

Opportunities

Develop a unified early care and education system - The establishment of the Governor's Children and Youth Cabinet, with an Access to Early Care, Education, and Prevention Subcommittee, has created a framework for Vermont to take advantage of technical assistance from North Carolina's "Smart Start" initiative to create a comprehensive, long term plan for early childhood services in Vermont. The emerging partnerships with school districts offer opportunities for enhanced services for preschool age children.

Compensation, benefits and professional development of the workforce is supported by the Child Care Workforce Trust Fund established with the Child Care Apprenticeship Program.

Pressure Points

Recruitment and retention of qualified child care providers - Turnover rates in Vermont range from 26% to 40%. Salaries for child care teachers in Vermont are below the standards for a livable wage. The starting salary for teaching assistants in licensed centers is \$6.25 an hour, compared to \$7.00 to \$8.00 an hour for entry level positions in most of the service industries. The need for qualified providers for evening and weekend care is particularly high.

Stabilizing child care arrangements for subsidized children is a priority. All too frequently child care placements are disrupted every time the parent's work or employment status changes. This is stressful to any child but results in at-risk children's welfare being further compromised.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Child Care Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	1,544,109	1,596,456	1,669,000	1,722,719
Operating Expenses	347,691	389,063	389,063	407,257
Grants	28,838,807	27,581,981	27,581,981	27,032,481
TOTAL	30,730,607	29,567,500	29,640,044	29,162,457
FUND TYPE				
General Fund	5,654,220	5,751,999	5,761,999	5,422,048
Transportation Fund	75,000	75,000	75,000	75,000
Special Fund	832,000	832,000	932,000	932,000
Federal Revenue Fund	24,094,387	22,831,249	22,793,793	22,656,157
Interdepartmental Transfer	75,000	77,252	77,252	77,252
TOTAL	30,730,607	29,567,500	29,640,044	29,162,457

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Woodside Rehabilitation Center

Description of Appropriations, Divisions, & Programs

Purpose: The purpose of Woodside is to provide safe, humane, secure detention, pre-placement planning, and treatment to adjudicated (or in some instances alleged) delinquent juveniles whose risk to re-offend cannot be adequately controlled in the community. All interventions at Woodside are focused on crisis reduction and careful preparation of the juvenile for a community-based placement. Woodside is not an "end" in itself, but rather a means to reaching another appropriate placement.

History/Mandate: In 1982, the legislature voted to establish a secure program for juveniles to be constructed in the Town of Essex. The facility has two programs, a short-term program which opened to the first juvenile on March 1, 1986, and a long-term treatment program which opened January 19, 1987.

Population Served: Adjudicated delinquents or juveniles alleged to be delinquent.

Major Programs/Activities: The Woodside program consists of a 16-bed detention program and a 12-bed treatment program.

Goals/Objectives: The items listed below are seen as significant indicators of program effectiveness.

- Safety, security
- Number of institutional incidents (violence, etc.) is very minimal
- No escapes

Program Activity:

	FY'96	FY'97	FY'98	FY'99	FY'00	FY'01	FY'02
	Actual	Actual	Estimated	Actual	Actual	Actual	Projected
Avg. Daily Population	26.2	27.2	27.1	27.7	27.1	27	27

Pre-placement Planning/Treatment:

- Success rate in next placement is high
- Youths progress steadily toward agreed upon objectives.

Current Environment/Future Trends: The population of the detention program has reached a high of 21, but usually has run between 10-14 youths in residence. The treatment program has been full at a level of 12 youths for much of the past year.

Challenges and Opportunities: The key challenge regarding Woodside is to assure that it houses the proper youths and that youths are transitioned to other placements at the earliest appropriate time. Transition programs need to be a priority.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Woodside Rehabilitation Center**

Appropriation Key Budget Issues

DISABILITY DETERMINATION SERVICES DIVISION

Purpose

Disability Determination Services (DDS) decides medical eligibility for Social Security Disability, Supplemental Security Income for the Blind/Disabled and Medicaid for the Blind/Disabled. The first two functions are performed on behalf of the Social Security Administration (SSA), the latter on behalf of the Vermont Department of Prevention, Assistance, Transition and Health Access under a Memorandum of Understanding (MOU) with SSA.

History/Mandate

The statutory basis for the Disability Determination Service is the Social Security Act of 1954 and the Code of Federal Regulations, Title 20, Chapter III, Part 404.1601ff.

Population Served

The DDS serves all Vermonters by making prompt and legally accurate decisions of medical eligibility for disability benefits. Allowance determinations enable eligible applicants and beneficiaries to receive benefits promptly for as long as they are eligible. Legally correct denials and cessation of benefits ensure that public funds are used as the law intends, conserving the SSA trust funds as well as other related public funds for the Vermont SSI Supplement and Medicaid.

Major Activities

The DDS's professional disability examiners, with input if needed from DDS physicians and psychologists, make legal medical eligibility determinations for all Vermonters filing for disability benefits, including first level appeals of unfavorable decisions and regular reviews of beneficiaries' medical eligibility. The legal definition of disability is the "inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than twelve months or to result in death". The requirements are further interpreted by Social Security regulations, rulings and policy, which must be accurately applied in each case. SSA-trained and authorized IT staff are required to administer SSA's computer system for the DDS (totally separate from the State system) in compliance with Federal and SSA security and confidentiality requirements, well beyond and legally superceding the state of Vermont/Agency of Human Services confidentiality policy.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Woodside Rehabilitation Center

Goals/Objectives

The function of the DDS is to make eligibility decisions accurately and quickly. CFR 404.1640ff sets performance standards for documentation/decision accuracy (based on a Federal quality review of a statistically valid sample of cases) and average claims processing time.

Accuracy - Performance Threshold: 90.6% Target: 97% VT DDS: 97.5%
(Vermont DDS was ranked 3rd in the nation in Federal FY 2002)

Average Processing Time (per initial case) in FFY 2002 -
National Average: 89 - 90.7 days VT DDS - 84 - 85 days

Opportunities

- To work on the national level with the SSA Office of Disability and the National Council of Disability Determination Directors, to help SSA find ways of optimizing resources to achieve superior public service within the demanding budget constraints of the coming years.
- To keep the focus on high quality public service, both within the DDS and in our collaborative work with SSA on the national and regional levels, with the local SSA District Offices and with Vermont's Social Services, Vocational Rehabilitation, Health Access, Department of Employment and Training, etc.

Pressure Points

- Retention of trained and high-performing professional staff. The 18 months of training and intensive mentoring required to get an examiner to competence at the entry level is a huge investment, one that the DDS continues to lose as these employees readily find higher paying, less stressful work elsewhere.
- Continuing the timely completion of medical eligibility reviews, the most complex and sensitive case issues.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Woodside Rehabilitation Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,167,137	2,108,338	2,108,338	2,200,621
Operating Expenses	303,262	358,743	358,743	376,071
<hr/> TOTAL	<hr/> 2,470,399	<hr/> 2,467,081	<hr/> 2,467,081	<hr/> 2,576,692
FUND TYPE				
General Fund	2,439,798	2,439,344	2,439,344	2,528,455
Interdepartmental Transfer	30,601	27,737	27,737	48,237
<hr/> TOTAL	<hr/> 2,470,399	<hr/> 2,467,081	<hr/> 2,467,081	<hr/> 2,576,692

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Disability Determination Serv

Description of Appropriations, Divisions, & Programs

Purpose

Disability Determination Services decides medical eligibility for Social Security Disability, Supplemental Security Income. Benefits based on disability, including blindness, and Medicaid based on disability or blindness. The first two functions are performed on behalf of the Social Security Administration, the latter on behalf of the Vermont Department of Prevention, Assistance and Health Access.

History/Mandate

The statutory basis for the Disability Determination Service is the Social Security Administration of 1954.

Population Served

Definition of disability used in the program is "a person must be unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months." The DDS collects medical and vocational evidence on each applicant sufficient to apply the above definition as interpreted by the Social Security Administration policy manual. A parallel process is used for Medicaid determination since governing Federal regulations require that the same definition of disability be used for Medicaid based on disability or blindness that is used for SSI. Disability eligibility determination is the sole activity of the Division, and the work is performed at one central location in Waterbury for the entire state. Teams of claim adjudicators and doctors who collect and review medical and vocational evidence make decisions. Since eligibility is based only on "medically determinable impairments", the decision is made entirely on the basis of written medical evidence and information from the claimant about his or education and work history.

Major programs/Activities

The Division consists of professional disability examiners who work with a group of part-time medical doctors representing a number of medical specialties. Case clerical staff and an administrative unit supports these professionals. Besides salaries, principal expenditures are fees to pay for evidence from applicant's treating sources and fees for consultative medical examinations arranged by the DDS with doctors around the state when critical medical evidence is not available from treating sources.

Goals/Objectives

The function of Disability Determination Services is to make eligibility decisions quickly and accurately. As a result, Social Security has in the distant past established goals and minimum performance standards for all DDS's. Social Security has set a goal of 85 days average processing time for SSDI initial claims and a goal of 80 days average processing time for SSI initial claims. Social Security also set goals and minimums for DDS accuracy of decision and accuracy of documentation of

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Disability Determination Serv

claims according to Federal criteria for decisional/documentation. The standards set are a goal of 95% accuracy and a minimum of 90% accuracy based on Federal review of a statistically valid sample of cases.

Case accuracy on review: FFY 2001 - 97.9%

Average Case Processing Time: FFY2001 - 71days

Current Environment/Future Trends

DDS continues to be a program driven by court cases (primarily federal district court and circuit court appeals cases), which require re-determination of previously denied claims. Receipts are expected to increase, at least, until those people born in 1955 reach the age of 65. Operating budgets continue to be under close scrutiny.

Problems and Opportunities

The current major problem in the disability program is the need to maintain safeguards and additional evidence development requirements while maintaining our accuracy in spite of the increase in workload and decrease in funding. Developing disability training initiatives, in-service training and process continues to be the highest priority. DDS is working closely with the Division of Social Services to ensure eligible children receive SSI benefits.

Appropriation Key Budget Issues

DISABILITY DETERMINATION SERVICES DIVISION

Purpose

Disability Determination Services (DDS) decides medical eligibility for Social Security Disability, Supplemental Security Income for the Blind/Disabled and Medicaid for the Blind/Disabled. The first two functions are performed on behalf of the Social Security Administration (SSA), the latter on behalf of the Vermont Department of Prevention, Assistance, Transition and Health Access under a Memorandum of Understanding (MOU) with SSA.

History/Mandate

The statutory basis for the Disability Determination Service is the Social Security Act of 1954 and the Code of Federal Regulations, Title 20, Chapter III, Part 404.1601ff.

Population Served

The DDS serves all Vermonters by making prompt and legally accurate decisions of medical eligibility for disability benefits. Allowance determinations enable eligible applicants and beneficiaries to receive

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Disability Determination Serv

benefits promptly for as long as they are eligible. Legally correct denials and cessation of benefits ensure that public funds are used as the law intends, conserving the SSA trust funds as well as other related public funds for the Vermont SSI Supplement and Medicaid.

Major Activities

The DDS's professional disability examiners, with input if needed from DDS physicians and psychologists, make legal medical eligibility determinations for all Vermonters filing for disability benefits, including first level appeals of unfavorable decisions and regular reviews of beneficiaries' medical eligibility. The legal definition of disability is the "inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than twelve months or to result in death". The requirements are further interpreted by Social Security regulations, rulings and policy, which must be accurately applied in each case. SSA-trained and authorized IT staff are required to administer SSA's computer system for the DDS (totally separate from the State system) in compliance with Federal and SSA security and confidentiality requirements, well beyond and legally superceding the state of Vermont/Agency of Human Services confidentiality policy.

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The function of the DDS is to make eligibility decisions accurately and quickly. CFR 404.1640ff sets performance standards for documentation/decision accuracy (based on a Federal quality review of a statistically valid sample of cases) and average claims processing time.

Accuracy - Performance Threshold: 90.6% Target: 97% VT DDS: 97.5%
(Vermont DDS was ranked 3rd in the nation in Federal FY 2002)

Average Processing Time (per initial case) in FFY 2002 -
National Average: 89 - 90.7 days VT DDS - 84 - 85 days

Opportunities

- To work on the national level with the SSA Office of Disability and the National Council of Disability Determination Directors, to help SSA find ways of optimizing resources to achieve superior public service within the demanding budget constraints of the coming years.
- To keep the focus on high quality public service, both within the DDS and in our collaborative work with SSA on the national and regional levels, with the local SSA District Offices and with Vermont's Social Services, Vocational Rehabilitation, Health Access, Department of Employment and Training, etc.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Disability Determination Serv

Pressure Points

- Retention of trained and high-performing professional staff. The 18 months of training and intensive mentoring required to get an examiner to competence at the entry level is a huge investment, one that the DDS continues to lose as these employees readily find higher paying, less stressful work elsewhere.
- Continuing the timely completion of medical eligibility reviews, the most complex and sensitive case issues.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Disability Determination Serv

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,309,010	2,767,702	2,818,164	2,817,296
Operating Expenses	445,507	457,329	457,329	457,331
<hr/> TOTAL	<hr/> 2,754,517	<hr/> 3,225,031	<hr/> 3,275,493	<hr/> 3,274,627
FUND TYPE				
Federal Revenue Fund	2,509,372	2,979,886	3,030,348	3,029,482
Interdepartmental Transfer	245,145	245,145	245,145	245,145
<hr/> TOTAL	<hr/> 2,754,517	<hr/> 3,225,031	<hr/> 3,275,493	<hr/> 3,274,627

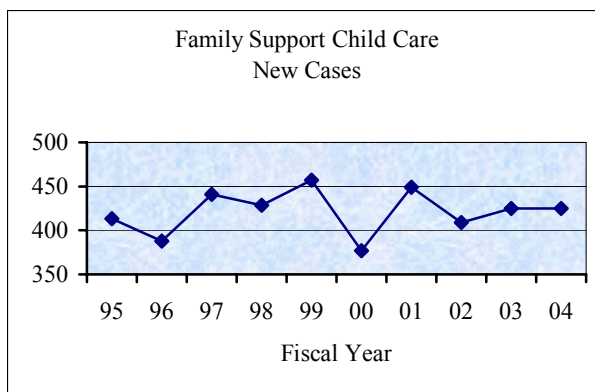
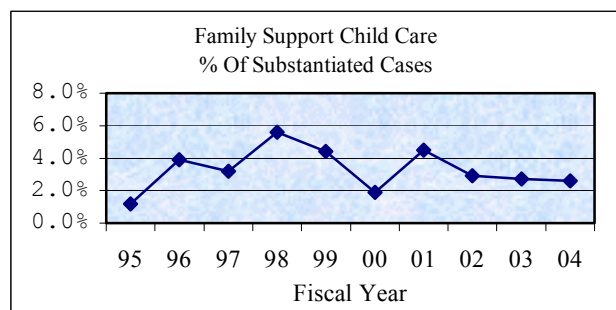
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Family Support Child Care

Performance Program Information

Program Outcome Statement:

The Family Support Child Care Program is a prevention and early intervention service for children who are considered at risk of harm due to adverse familial situations, including domestic violence, substance abuse, chronic mental health issues, incarceration of a parent, and extreme poverty. Family Support Child Care reduces stress for families and promotes positive child development through the provision of child care services that are part of a comprehensive plan for the family that includes case management. The desired outcome is to prevent children from being abused or neglected and from coming into the custody of the state.

Headline Measures:



Story Behind Baseline Performance:

The Family Support Child Care Program began as a discretionary service to families in 1991. It is managed by the Child Care Services Division and is funded with a combination of Federal IV-B funds and State General Funds. Currently, \$1,287,000.00 is allocated to the 12 AHS districts to provide the direct child care service. The balance of the funds are used to provide case management and specialized therapeutic services for children at risk due to disabilities.

Eligibility determination for the program is done by an interagency committee that reviews the families' needs, including a risk assessment that is part of the application. A family support plan is developed for eligible families that includes the child care component. Continued eligibility and progress in meeting the objectives on the family support plan is reviewed every four months. Twelve months is the maximum time a family is to be served by this program, with the intention that the family's risk factors will have been addressed and reduced in that period of time. Depending on the individual needs of the families or children in care, eligibility can be extended beyond 12 months by the interagency committee.

Because this is a discretionary program with a capped appropriation, the need for the service outweighs

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Family Support Child Care

available resources. Eligible families are not wait-listed. However the duration of their service, both in number of hours of child care approved weekly and the total period of enrollment, may be reduced below what is actually needed in order to contain expenditures within the appropriated amount.

Incidents of abuse and neglect for the general population occur at a rate of just under 1%, while the rate of abuse and neglect in these high-risk cases has ranged as high as nearly 6% following the state's fiscal difficulties of FY 96 and 97. The rate of abuse and neglect has declined as financial constraints have eased.

The rate of abuse for these high risk children in calendar year 2001 was 4.5%

The performance target for calendar year 2003-2004 is to reduce that number to 3% or less.

What Was Accomplished in FY 2003-2004

In order to meet the performance target in FY 2003-2004, the following actions were taken for the Family Support Child Care Program:

Established an additional therapeutic childcare program in Washington County through a collaborative agreement between Washington County Mental Health, the Department of Developmental and Mental Health Services and the Child Care Services Division, SRS.

Established an additional mental health consultation contract to serve children in childcare programs in Windham County.

Leveraged Medicaid funds for both expansion programs.

Initiated work on a data management system for the Child Care Services Division, which will allow for the tracking of outcomes for children in the Family Support Child Care Program.

What Will be Done to Improve Performance in the Next Two Years:

In order to meet the performance target in FY 2004-2005, the following actions will be taken for the Family Support Child Care Program:

- Develop an interagency agreement between DDMHS and SRS to assure an ongoing relationship between the CUPS Mental Health Consultation services and Family Support Child Care in order to assure a continuum of services for the most at risk children in care.
- Implement the data collection system so that performance measures related to individual families and children are available on a quarterly basis.
- Assure funding to provide services at current levels.
- Continue leveraging IV-E and Medicaid funds as appropriate.
- Establish a therapeutic childcare program in Addison County.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Family Support Child Care

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	1,489,949	1,489,949	1,489,949
<hr/> TOTAL	<hr/> 0	<hr/> 1,489,949	<hr/> 1,489,949	<hr/> 1,489,949
FUND TYPE				
General Fund	0	812,638	812,638	812,635
Federal Revenue Fund	0	677,311	677,311	677,314
<hr/> TOTAL	<hr/> 0	<hr/> 1,489,949	<hr/> 1,489,949	<hr/> 1,489,949

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
PATH**

Department Mission Statement



Our mission is to help Vermonters to find a path to a better life. To this end, we take on many roles: employment coach, health insurance provider, crisis manager, career planner, champion of families and promoter of human potential. Most importantly, we are Vermonters helping Vermonters.

PATH administers a variety of state, federal/state, and federal programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents as a result of unemployment, part-time or low-wage employment, family break-up, unmarried parenthood, age, temporary or permanent disability, or death of a family member or other catastrophic event. These programs promote the well-being of families and individuals through the provision of welfare-to-work services, health care coverage, and cash assistance. The programs include Medicaid/Dr. Dynasaur, Vermont Health Access Plan (VHAP), VHAP-Pharmacy, VScript, VScript Expanded, Healthy Vermonters, Reach Up, Food Stamps, SSI/AABD, Fuel assistance, General Assistance, and Telephone Lifeline.

PATH serves more than 75,000 low to moderate-income families - about 150,000 people at any given time during a year. More than one in five Vermonters will receive one or more benefits or services from PATH.

Description of Appropriations, Divisions, & Programs

Medicaid Appropriation for Health Care Assistance Programs: Medicaid/Dr.Dynasaur/SCHIP/Ladies First/VHAP/VHAP-Pharmacy/VScript/VScript Expanded/Healthy Vermonters and Medicare cost sharing programs (QMB and SLMB)

PATH provides health care access to approximately 147,300 Vermonters each month.

Medicaid - Traditional Medicaid provides comprehensive coverage to the lowest income population that is aged, blind or disabled, and to families with dependent children. Dr. Dynasaur, which is a component of Medicaid, was expanded in SFY' 99 to cover children with family income up to 300% FPL. SCHIP is available to uninsured children with family income between 225% and 300% FPL. Particular emphasis is being placed on identifying and enrolling children with special health and education needs. A federal waiver expanded eligibility in SFY'99 for parents and caretakers with income up to 185% FPL. Medicaid also funds Ladies First, which is a breast and cervical cancer

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
PATH**

program, working disabled person program (higher income limit up to 250% FPL), and the QMB and SLMB Medicare cost sharing programs to cover Medicare Part B premiums and Medicare deductibles and coinsurance.

SFY'04 Est. Avg. Medicaid Caseload = 98,478 beneficiaries/mo.

Vermont Health Access Plan (VHAP) - A federal waiver allows provision of assistance to uninsured Vermonters with income up to 150% FPL who do not meet the categorical criteria for Medicaid eligibility. When enrolled in managed care, the benefit package is similar, but less comprehensive, than Medicaid. Prior to enrollment in managed care, a more limited benefit is provided. A separate pharmacy-only benefit is provided to elderly and disabled individuals with incomes up to 150% of FPL. SFY'04 Est. Avg. VHAP Caseload = 21,137 beneficiaries/mo.
SFY'04 Est. Avg. VHAP-Pharmacy Caseload = 8,851 beneficiaries/mo.

VScript and VScript Expanded - Provides pharmaceutical assistance to low-income aged and disabled Vermonters with incomes between 150% and 175 % FPL (VScript) and up to 225% (VScript Expanded). The benefit covers the cost of maintenance drugs. VScript beneficiaries have a minimal co-payment; Vscript Expanded beneficiaries pay 41% coinsurance. Due to waiver approval, VScript qualifies for federal financial participation the same as Medicaid. VScript Expanded is state-funded. SFY'04 Est. Avg. VScript Caseload = 3,262 beneficiaries/mo.
SFY'04 Est. Avg. VScript Expanded Caseload = 3,623 beneficiaries/mo.

Healthy Vermonters - Provides pharmaceutical assistance - drugs at the Medicaid rate- to elderly and disabled individuals with income up to 400% FPL and other with income up to 300% FPL. VScript and VScript Expanded beneficiaries are also enrolled in Healthy Vermonters for assistance for pharmaceuticals for acute conditions.
SFY'04 Est. Avg. Healthy Vermonters Caseload = 11,373 beneficiaries/mo.

Long-Term Care - Per Act 160 (1996), the Department of Aging and Disabilities is mandated to improve independent living options and reduce reliance on institutional care. Approximately 60% of all Nursing Home beds in the state are occupied by Medicaid patients. To meet the mandate, a Long-Term Care budget within the medicaid appropriation has been developed to include costs for Nursing Homes, Home & Community Based Waiver Services, and Enhanced Residential Care Services.
SFY'04 Est. Avg. Caseload included in Medicaid figure above.

Reach Up:

Families with dependent children who are unable to provide for themselves as a result of family breakup, unmarried parenthood, temporary or permanent disability, unemployment, or low-wage employment, receive cash assistance, case management and other welfare-to-work services, and referral to the Office of Child Support through participation in Reach Up. Families receiving Reach Up are also provided with Medicaid coverage and approximately nine out of ten receive Food Stamps. General

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
PATH**

funds in the Reach Up appropriation support the Postsecondary Education (PSE) program, which provides stipends and individual case management to approximately 360 parents that are pursuing a two- or four-year college education.

SFY'04 Est. Avg. Reach Up Caseload = 14,550 participants/mo.

Aid to the Aged, Blind, & Disabled (AABD):

The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) benefits that about 12,850 Vermonters receive from the Social Security Administration. Of those, 11,150 live independently in the community and the remainder live in community or residential care homes. This appropriation also funds the PATH-administered Essential Person program that provides cash assistance to needy household members, in many instances the SSI recipient's spouse, who are ineligible for SSI and Reach Up benefits and whose care or services are essential to the SSI recipient's remaining in his or her home.

SFY'04 Est. Avg. AABD Caseload = 12,850 recipients/mo.

SFY'04 Est. Avg. Essential Person Program Caseload = 175 recipients/mo

General Assistance:

The General Assistance program provides aid to individuals and families who have experienced a catastrophe and, as a result, are unable to provide for their basic needs. In non-catastrophic situations, General Assistance is available only to households whose income is very low, whose assets have been exhausted (with certain exceptions), who are ineligible for aid from all other PATH programs, and who are responsible for the care of one or more dependent children or who are not able-bodied according to PATH rules.

SFY'04 Est. Avg. GA Caseload = 2,300 applications/mo.

Food Stamp Cash Out:

The Food Stamp cashout component serves 19 percent of Food Stamp program recipients and represents 15 percent of total benefits disbursed; the remaining 81 and 85 percent respectively are enrolled in the Electronic Benefit Transfer (EBT/Food) component of the program. In FY'99, coupon issuance was replaced by a statewide EBT distribution system. Cashout benefits are permitted for households in which everyone is either 65 or older or an SSI recipient. Monthly Food Stamp program benefits, in combination with part of the household's income and other benefits, if any, are intended to enable the household to maintain a minimally nutritious diet.

SFY'04 Est. Avg. Cashout Caseload = 7,458 recipients/mo.

SFY'04 Est. Avg. Total Food Stamp Program Caseload = 32,359 recipients/mo.

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PATH**

Home Heating Fuel Assistance (LIHEAP):

Via Act 158 (1996), the General Assembly defined in statute the purpose of and conditions under which Vermont households may qualify for heating fuel assistance. Direct payment to their certified fuel supplier is a major feature of the program. The Crisis Component is operated by Vermont's five Community Action Programs (under formal agreement with PATH).

SFY'04 Est. Avg. Fuel Caseload = 37,400 recipients/season

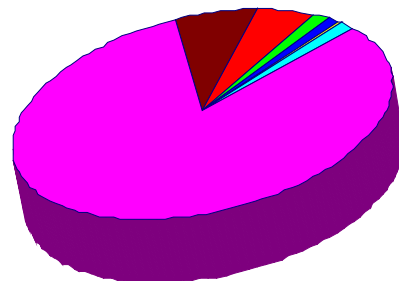
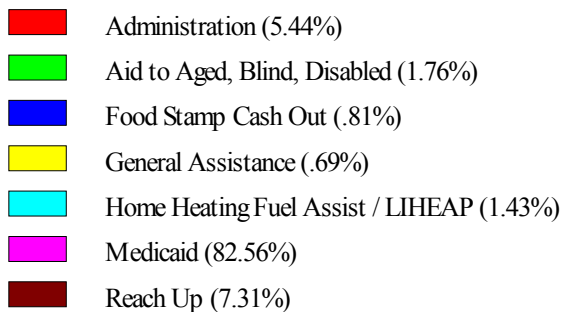
Administration:

The administrative costs for all PATH programs are included in a single appropriation that has three major components: PERSONAL SERVICES (75%) which includes salaries and benefits for 430 PATH employees, contracted professional services, such as medical consultation, evaluation and technical services, and temporary employees; OPERATING EXPENSES (19%), purchase of computer services from CIT, the new Fee for Space program and other leases, postage, supplies, and travel; GRANTS (6%) which includes grants to community-based organizations, nutrition education and outreach services for food stamps and Medicaid. Federal financial participation in the funding of many public assistance programs requires compliance with a myriad of mandated activities including state plans, drafting and promulgation of regulations, quality control, computer matches, financial and program activity reports, time-studies, and timely and accurate eligibility determination and disbursement of benefits.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
PATH**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	430	50,106,449	31,430,610	32,229,044	32,066,944
Reach Up	0	37,641,993	43,538,736	43,538,736	43,109,980
Aid to Aged, Blind, Disabled	0	9,888,682	10,805,436	11,955,436	10,363,432
Medicaid	0	433,358,788	468,726,485	470,864,608	486,912,483
General Assistance	0	4,463,087	4,076,260	4,076,260	4,076,260
Home Heating Fuel Assist / LIHEAP	0	9,417,522	8,462,075	8,462,075	8,462,075
Food Stamp Cash Out	0	4,796,726	4,790,717	4,790,717	4,790,717
TOTAL	430	549,673,247	571,830,319	575,916,876	589,781,891
FUND TYPE					
General Fund		119,117,555	41,647,367	43,320,583	41,567,869
Special Fund		100,222,739	185,125,178	185,524,216	194,781,605
Federal Revenue Fund		330,332,953	345,057,774	347,072,077	353,432,417
TOTAL		549,673,247	571,830,319	575,916,876	589,781,891



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	40,757,869	25,635,466	26,419,500	26,226,259
Operating Expenses	3,186,072	4,818,407	4,832,807	4,863,948
Grants	6,162,508	976,737	976,737	976,737
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	50,106,449	31,430,610	32,229,044	32,066,944
 FUND TYPE				
General Fund	15,391,056	11,928,125	12,451,341	12,290,631
Special Fund	3,784,686	1,947,919	1,962,319	1,962,319
Federal Revenue Fund	30,930,707	17,554,566	17,815,384	17,813,994
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	50,106,449	31,430,610	32,229,044	32,066,944

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reach Up

Performance Program Information

Results:

The purpose of the Reach Up program, according to Act 147, passed by the Vermont legislature in 2001, includes the following:

- To assist families, recognizing individual and unique characteristics, to obtain the opportunities and skills necessary for self-sufficiency
- To encourage economic independence by removing barriers and disincentives to work and providing positive incentives to work
- To conserve state public financial resources by operating the system of aid in a manner that is efficient and avoids federal fiscal sanctions
- To conform to the federal TANF law.

Key Indicators:

- Percentage of Reach Up participants who are meeting their federally defined work requirement
- Percentage of work-ready Reach Up participants who are meeting their work requirement through countable work activities
- Percentage of Reach Up participants in the employment phase who are meeting their work requirement through unsubsidized jobs, subsidized jobs, or community service placement.

Story Behind Baseline Performance:

Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, or welfare reform act, in 1996. Because Vermont had a federally approved demonstration project, the Welfare Restructuring Project, in place at the time of passage of this law, Vermont was not subject to the new provisions until the demonstration project expired on June 30, 2001. As of July 1, 2001, Vermont must meet work participation rates as defined in federal law in order to retain full funding of its Temporary Assistance to Needy Families (TANF) block grant.

According to federal law, 50% of TANF families (the TANF program is called “Reach Up” in Vermont) must be participating in work activities for a required number of hours per week. The federal target is 90% for families with two parents, both of whom are able to work. These percentage targets may be

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reach Up

reduced by a state's caseload reduction credit, which is the percentage decrease in the TANF caseload since federal fiscal year 1995.

Allowing for Vermont's caseload reduction credit, Vermont's federal work participation rate target for FFY03 is estimated to be 9% for all TANF families and 29% for two-parent families. The target for FY04 is unknown since Congress will change the methodology for computing performance targets when it passes the reauthorization bill in 2003.

For the quarter ending in June 2002, Vermont's actual work participation rate was 21.1% for all TANF families and 28.5% for two-parent families.

If Vermont's Reach Up caseload increases, the caseload reduction credit decreases, and its work participation rate increases up to a maximum of 50% for all families and 90% for two-parent families. Because the economy is uncertain, Vermont must increase its current work participation rates to ensure the protection of federal funding levels.

Strategies:

- Implement performance targets for organizations with which PATH has grant agreements to provide services to Reach Up participants
- Build community infrastructure to provide job training and work opportunities for Reach Up participants

Performance Measures:

	FY02	FY03	FY04
Federal work for all families	14%	9%	unknown participation target
Federal target for 2-parent families	25%	25%	unknown
Work-ready participants meeting work requirement	60%	60%	60%
Employment-ready participants in jobs or community service	60%	60%	60%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reach Up

What We Propose to Do to Improve Performance:

- Develop and fund community work programs
- Develop and fund vocational training opportunities
- Implement pilot projects to provide basic education and to increase available child care
- Improve transportation options for families seeking employment

FY04 Key Budget Issues:

The Reach Up program is funded by the TANF block grant and by state funds at a Maintenance of Effort (MOE) level required by federal law. Vermont must meet its participation rate targets for FY04 to avoid federal fiscal sanctions. Because Congress missed the deadline for reauthorizing the TANF law by 9/30/02, it passed a continuing resolution to keep the program operating until March 2003. It is unknown whether Congress will level fund the TANF program or approve a reduction in the funding level based on the fact that TANF caseloads are lower than when the law was passed in 1996.

FY04 Budget:

The federal TANF block grant is estimated to be \$47,153,181 in FY04 if Congress level funds the program at reauthorization. State MOE is \$27,363,633. PATH's requested share of the TANF Block Grant totals \$23,911,964 and the MOE share totals \$17,626,772.

The Reach Up appropriation also includes \$6,587,685 for support services to community based organizations and DET. These monies will provide Case Management, employment services and training support for participants.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	37,641,993	43,538,736	43,538,736	43,109,980
<hr/> TOTAL	<hr/> 37,641,993	<hr/> 43,538,736	<hr/> 43,538,736	<hr/> 43,109,980
FUND TYPE				
General Fund	15,797,239	15,648,867	15,648,867	15,648,867
Special Fund	2,200,000	2,200,000	2,200,000	2,200,000
Federal Revenue Fund	19,644,754	25,689,869	25,689,869	25,261,113
<hr/> TOTAL	<hr/> 37,641,993	<hr/> 43,538,736	<hr/> 43,538,736	<hr/> 43,109,980

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aid to Aged, Blind, Disabled

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	1,231,308	1,231,308	1,231,308
Grants	9,888,682	9,574,128	10,724,128	9,132,124
<hr/> TOTAL	<hr/> 9,888,682	<hr/> 10,805,436	<hr/> 11,955,436	<hr/> 10,363,432
FUND TYPE				
General Fund	9,888,682	10,805,436	11,955,436	10,363,432
<hr/> TOTAL	<hr/> 9,888,682	<hr/> 10,805,436	<hr/> 11,955,436	<hr/> 10,363,432

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medicaid

Proposed changes in the Medicaid program for FY '04

The proposed budget include a package of Medicaid changes that will modify beneficiary cost sharing, add provisions to test the level of assets available to beneficiaries as a condition of eligibility, and seek federal funding for some current programs.

Deductibles

VHAP Uninsured adult beneficiaries are subject to a variety of cost-sharing obligations for pharmacy and medical services. The budget proposal eliminates current copayment and coinsurance requirements and institutes annual deductibles in their place. The deductibles will be tiered based on household income. This cost sharing plan will reduce the out-of-pocket expenses for the highest users of medical services and also reduce the cost sharing for those with the lowest incomes. The VHAP-Pharmacy and VScript programs currently have tiered co-payments based on whether a brand or generic drug is dispensed. The budget proposal includes an initial deductible with an out-of-pocket maximum for these two programs. Also included is a modest increase in the VScript Expanded deductible and an increase in the beneficiary coinsurance obligation from 41% to 50%. Finally, adults covered by the traditional Medicaid program have a \$50 copayment on hospital services, unless enrolled in managed care. The budget proposal eliminates this co-payment. It is replaced with a 5% coinsurance obligation for inpatient and outpatient hospital services for all adult Medicaid beneficiaries with an annual maximum out-of-pocket expense of \$100.

Waivers

The VScript Expanded program provides assistance for maintenance drugs for elderly or disabled individuals with income between 175% and 225% FPL who do not have prescription drug coverage. This program is currently 100% state-funded. A waiver from the Centers for Medicare & Medicaid Services (CMS) requesting authority to move this program under the 1115 VHAP waiver will be pursued, making program expenditures eligible for federal financial participation (61.61% in SFY '04). Second, a waiver will be solicited from CMS to allow the use of unspent federal State Child Health Insurance Program (SCHIP) funds for some existing beneficiaries currently being served under the 1115 VHAP waiver. Although not a program expansion, it will generate additional federal receipts due to the higher federal match rate under SCHIP.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medicaid

Other Changes

When VHAP and traditional Medicaid beneficiaries are first found eligible for the program and enrolled in ***PC-Plus*** (managed care) they are guaranteed health care coverage for six-months. The budget proposal eliminates this guarantee. Instead, eligibility will be re-determined as circumstances (e.g., income, household size) change during that initial period, possibly resulting in case closure prior to the end of the guaranteed period. The budget also includes a proposal that would institute a resource test for eligibility in the VHAP and pharmacy programs. Currently an individual or family's assets (bank accounts, investments, property, etc.) are not considered when determining eligibility for coverage under these programs. A resource test and resulting ineligibility if resources are above the limit is proposed. The limit is \$15,000 for individuals and \$22,500 for couples. An individual or couple will be eligible when assets are below these limits.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	762,466	13,664,281	16,074,123	17,077,343
Grants	432,596,322	455,062,204	454,790,485	469,835,140
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	433,358,788	468,726,485	470,864,608	486,912,483
 FUND TYPE				
General Fund	74,894,596	0	0	0
Special Fund	84,820,531	172,515,183	172,899,821	182,157,210
Federal Revenue Fund	273,643,661	296,211,302	297,964,787	304,755,273
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	433,358,788	468,726,485	470,864,608	486,912,483

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	68,850,857	68,850,857	68,850,857
<hr/> TOTAL	<hr/> 0	<hr/> 68,850,857	<hr/> 68,850,857	<hr/> 68,850,857
FUND TYPE				
General Fund	0	68,850,857	68,850,857	68,850,857
<hr/> TOTAL	<hr/> 0	<hr/> 68,850,857	<hr/> 68,850,857	<hr/> 68,850,857

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tobacco Settlement Appropriation to the Health Access Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	17,250,000	17,250,000	17,250,000
TOTAL	0	17,250,000	17,250,000	17,250,000
FUND TYPE				
Special Fund	0	17,250,000	17,250,000	17,250,000
TOTAL	0	17,250,000	17,250,000	17,250,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
General Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,463,087	4,076,260	4,076,260	4,076,260
TOTAL	4,463,087	4,076,260	4,076,260	4,076,260
FUND TYPE				
General Fund	3,145,982	3,264,939	3,264,939	3,264,939
Special Fund	0	1	1	1
Federal Revenue Fund	1,317,105	811,320	811,320	811,320
TOTAL	4,463,087	4,076,260	4,076,260	4,076,260

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Home Heating Fuel Assist / LIHEAP

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	15,588	20,000	20,000	20,000
Operating Expenses	53,804	90,000	90,000	90,000
Grants	9,348,130	8,352,075	8,352,075	8,352,075
<hr/> TOTAL	<hr/> 9,417,522	<hr/> 8,462,075	<hr/> 8,462,075	<hr/> 8,462,075
FUND TYPE				
Special Fund	9,417,522	8,462,075	8,462,075	8,462,075
<hr/> TOTAL	<hr/> 9,417,522	<hr/> 8,462,075	<hr/> 8,462,075	<hr/> 8,462,075

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Food Stamp Cash Out

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,796,726	4,790,717	4,790,717	4,790,717
<hr/> TOTAL	<hr/> 4,796,726	<hr/> 4,790,717	<hr/> 4,790,717	<hr/> 4,790,717
FUND TYPE				
Federal Revenue Fund	4,796,726	4,790,717	4,790,717	4,790,717
<hr/> TOTAL	<hr/> 4,796,726	<hr/> 4,790,717	<hr/> 4,790,717	<hr/> 4,790,717

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Developmental and Mental Health Services

Department Mission Statement

The mission of the Department of Developmental and Mental Health Services (DDMHS) is to provide supports and services to enable Vermont citizens with developmental disabilities and behavioral health needs to live as independently and responsibly as possible. We are responsible for ensuring that Vermonters receive timely, individualized services that are effective and delivered efficiently, within available resources. We also must balance the rights of the individual with the interest of public and individual safety.

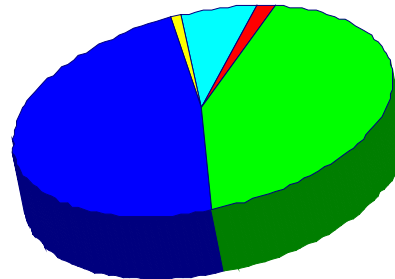
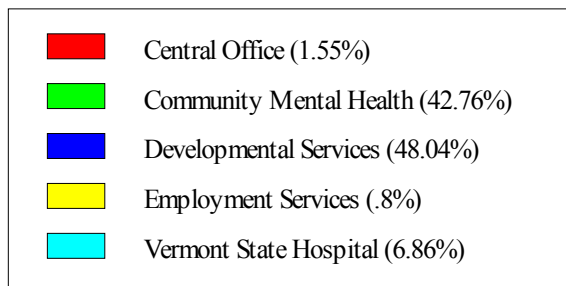
Description of Appropriations, Divisions, & Programs

DDMHS is comprised of central administrative services (Commissioner's Office, Legal Division, Business Office, and Information and Computer Services), as well as two programmatic divisions: the Division of Developmental Services and the Division of Mental Health Services. With the exception of public guardianship services for people with developmental disabilities and Vermont State Hospital, all services to individuals are provided through contracts between DDMHS and 16 private non-profit designated and specialized service agencies located throughout the state.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Developmental and Mental Health Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Central Office	36	2,583,117	2,798,681	2,985,401	2,915,836
Community Mental Health	28	78,664,191	77,362,895	80,661,876	80,547,147
Developmental Services	46	82,498,474	84,713,368	86,551,188	90,501,485
Vermont State Hospital	170	10,514,743	10,771,223	12,357,078	12,915,440
Employment Services	0	0	931,188	1,498,268	1,498,268
TOTAL	280	174,260,525	176,577,355	184,053,811	188,378,176
FUND TYPE					
General Fund		57,049,245	59,717,047	60,199,830	63,986,718
Special Fund		8,761,648	7,944,492	8,685,183	7,998,963
Federal Revenue Fund		104,515,144	105,813,270	110,902,953	112,126,650
Interdepartmental Transfer		3,934,488	3,102,546	4,265,845	4,265,845
TOTAL		174,260,525	176,577,355	184,053,811	188,378,176



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Central Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,091,078	2,041,831	2,202,051	2,153,430
Operating Expenses	492,039	756,850	783,350	762,406
<hr/> TOTAL	<hr/> 2,583,117	<hr/> 2,798,681	<hr/> 2,985,401	<hr/> 2,915,836
FUND TYPE				
General Fund	1,245,657	1,231,781	1,261,049	1,228,665
Federal Revenue Fund	1,337,460	1,566,900	1,724,352	1,687,171
<hr/> TOTAL	<hr/> 2,583,117	<hr/> 2,798,681	<hr/> 2,985,401	<hr/> 2,915,836

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Mental Health

Description of Appropriations, Divisions, & Programs

The Division of Mental Health provides services to adults with severe mental illness and adults with less severe emotional or behavioral problems that still disrupt their lives; children and adolescents experiencing a serious emotional disturbance and their families; and anyone who is experiencing an acute mental-health crisis. Adults receive mental health services for the following reasons, including but not limited to: suicidal or homicidal behavior, extreme self-injurious behavior, severe psychoses which diminish or destroy one's ability to care for oneself in ordinary life situations, homelessness, substance abuse, marital and family distress, medical management of symptoms of mental illness, and/or need for rehabilitation and supports to restore the ability to function in the community and avoid hospitalization. Approximately 10,500 received these community-based mental health services in FY2001.

In addition, approximately 8,700 children and adolescents received community-based mental health services in FY2001. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct disorder because they manifest long-term behavior problems (e.g., aggressiveness, anti-social acts, suicidal behavior, substance abuse); (3) suffer serious discomfort from anxiety, depression, or irrational fears whose symptoms may be exhibited as serious eating and sleeping disturbance, or persistent refusal to attend school.

The contracted designated agencies also operate mental health Emergency Services Programs which are available 24 hours a day, seven days a week, responding to any individual experiencing a mental health crisis and to communities following natural disasters, accidental deaths, suicides, and other traumatic events. Data show that the response to individuals in crisis is impressively rapid, in that trained mental health clinicians respond by phone in an average of five minutes and can conduct face-to-face evaluations in an average of one half hour statewide. Emergency programs also screen situations to determine if there is need for admission into involuntary and / or acute care arrangements. Over 2,000 Vermonters were served through these Emergency programs last year.

Inpatient services at Vermont State Hospital (VSH) are for involuntary emergency examinations and commitments in which adults have become dangerous to themselves or others, or for psychiatric evaluations of competency to stand trial in criminal cases. The State Hospital, which has 52 beds, is Vermont's only public psychiatric inpatient facility. During FY2001, VSH served 243 individuals and had an average daily census of 47.3.

The above services help Vermont citizens with significant mental health needs to maintain their family, friends, support network and community connections while struggling with the effects of these disorders. For example, in calendar year 2000, these services assisted 30% of adults with severe mental illness to enable them to have paid jobs, collectively earning almost \$4.4 million in taxable wages.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Mental Health

These services also effectively support clients with severe and persistent mental illnesses from relapse and decompensation, in that fewer than 3% of the caseload was hospitalized for psychiatric care in the past two years. In addition, these services are efficient use of Vermont taxpayer dollars. For example, the Medicaid costs for psychiatric care of children and CRT adults at general hospitals has not increased in the past two years due to strong community mental health services and clinical management, while inpatient costs for most other populations have increased. Even more specifically, this clinical management in combination with upstream mental health services reduced the need for inpatient care for children and adolescents by 655 days and saved \$752,000 in FY2001 (as compared to FY2000).

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,262,033	2,085,267	2,640,076	2,581,865
Operating Expenses	303,806	403,071	403,071	352,039
Grants	76,098,352	74,874,557	77,618,729	77,613,243
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	78,664,191	77,362,895	80,661,876	80,547,147
 FUND TYPE				
General Fund	22,828,160	23,219,458	22,970,567	23,796,977
Special Fund	7,547,742	6,893,538	6,779,293	6,933,073
Federal Revenue Fund	45,632,759	45,240,653	47,766,850	46,671,931
Interdepartmental Transfer	2,655,530	2,009,246	3,145,166	3,145,166
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	78,664,191	77,362,895	80,661,876	80,547,147

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Developmental Services

Description of Appropriations, Divisions, & Programs

The Division of Developmental Services provides or arranges for the provision of community-based services and supports to approximately 2,620 individuals with developmental disabilities (as defined in the Vermont Developmental Disabilities Act of 1996). Individuals are served because of circumstances including, but not limited to: abuse, neglect or exploitation; graduation from special education; aging out of Social and Rehabilitative Services; family crisis; medical/health issues; preventing nursing home placements; aggressive/self-abusive behavior; the loss of a primary caregiver; public protection in the case of criminal or alleged criminal behavior; and closure of or eviction from residential care homes. Approximately 25% of Vermont citizens with developmental disabilities receive publicly-funded services each year.

This Division also operates a public guardianship program for people with developmental disabilities who are determined by the court to be in need of supervision, protection and assistance. Currently, there are approximately 580 individuals who receive services through the public guardianship program.

As a result of these community-based developmental services, most people with developmental disabilities live in homes or apartments (98% of people served) instead of congregated settings like nursing homes, group homes or institutions and many (36% of working-age people served) have jobs making real wages (\$6.84 / hour; \$2.7 million in taxable wages in FY01). Because of having a home and work, these individuals also have the means to make friendships, feel valued, and be a part of their communities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Developmental Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,599,663	2,725,586	2,880,913	3,009,458
Operating Expenses	427,041	467,972	477,972	480,940
Grants	79,471,770	81,519,810	83,192,303	87,011,087
<hr/> TOTAL	<hr/> 82,498,474	<hr/> 84,713,368	<hr/> 86,551,188	<hr/> 90,501,485
FUND TYPE				
General Fund	29,939,953	31,008,689	31,008,689	33,919,487
Special Fund	1,004,264	905,890	1,495,890	905,890
Federal Revenue Fund	50,275,299	51,705,489	52,953,309	54,582,808
Interdepartmental Transfer	1,278,958	1,093,300	1,093,300	1,093,300
<hr/> TOTAL	<hr/> 82,498,474	<hr/> 84,713,368	<hr/> 86,551,188	<hr/> 90,501,485

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	9,469,955	9,347,077	10,801,725	11,321,453
Operating Expenses	892,859	1,281,146	1,412,353	1,450,987
Grants	151,929	143,000	143,000	143,000
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TOTAL	10,514,743	10,771,223	12,357,078	12,915,440
 FUND TYPE				
General Fund	3,035,475	3,908,575	4,362,090	4,431,199
Special Fund	209,642	145,064	410,000	160,000
Federal Revenue Fund	7,269,626	6,717,584	7,584,988	8,324,241
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	10,514,743	10,771,223	12,357,078	12,915,440

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment Services**

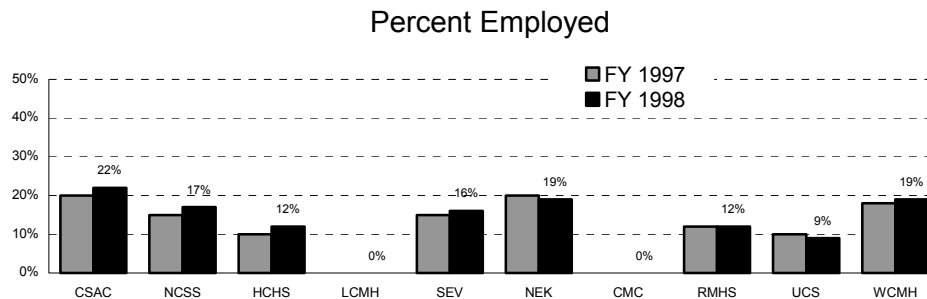
Performance Program Information

**DDMHS Key Performance Indicator:
Community Rehabilitation and Treatment Employment**

Community Rehabilitation and Treatment (CRT) Services assist people with serious and persistent mental illness to increase their ability to manage their illness and to lead more satisfying lives. In FY04, the GF costs for these services will be the same as in FY 03, \$348,544 (gross: \$931,188). However, employment and the resulting earned income are key components of the services, and income from consumer employment has the added benefit of increasing the tax revenue available to the state.

CRT employment services include assessment, job development, job training, and ongoing support to maintain employment. Because Medicaid funds cannot be used to support employment services, growth in this program area has been historically constrained by limited resources even though employment is a valued outcome for most CRT clients. Below is a table showing the employment rates of CRT clients in FY 97 and FY 98. The average employment rate was 16% for both years. Wage data were not available for these time periods.

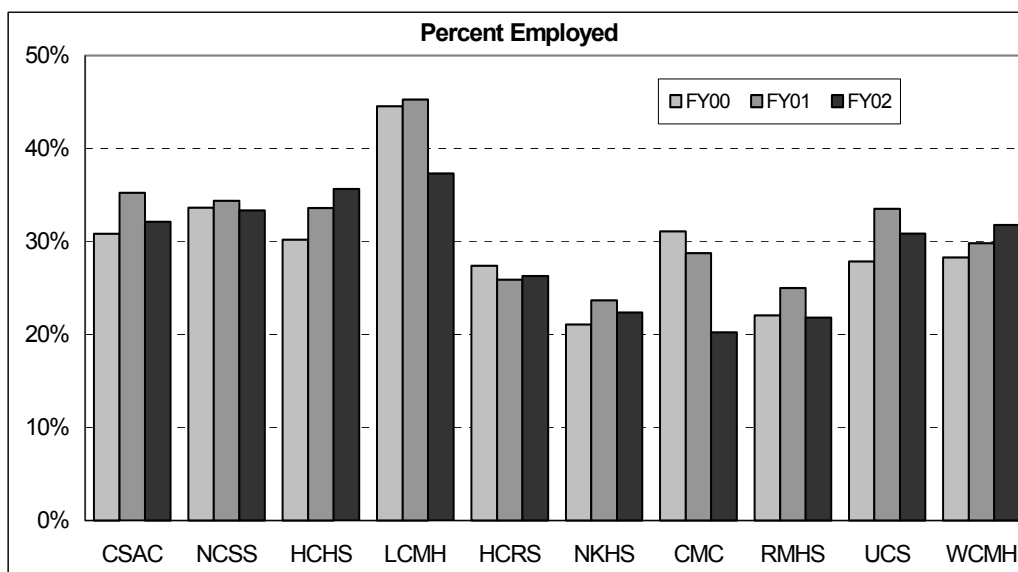
**Employment of Community Rehabilitation and Treatment Clients
In Vermont During FY 1997 – 1998**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment Services

The inclusion of the CRT program in the 1115 B Medicaid Waiver beginning in FY 2000 has increased the service system's flexibility in providing employment services. In addition, we have supported new training and consultation initiatives focused on evidence-based practices in employment to help increase the effectiveness of the employment services. Below is a table showing the employment rates of CRT clients in FY'00-02. The average employment rate was 29% in FY'02 and the total taxable wages earned were \$5,178,060 , or an average of \$5,890 per employed client. **Between FY 00 and FY 02**

**Employment of Community Rehabilitation and
Treatment Clients in Vermont During FY2000, FY2001 and FY2002**



Taxable wages earned by CRT clients has increased by more than 25% or \$1,092,872.

What do we propose to do to improve performance in the next 2, 5, and 10 years?

1. Continue training for line staff and program consultation for managers.
2. Use a performance measure that combines the key indicators (percent employed and wages earned) into a ranking of DA employment programs.
3. Reward DA performance based on the ranking. We plan an incentive payment of \$10,000.00 in which the DA with the greatest amount of improvement between FY 03 and the performance measure baseline of FY 00 –01 will be awarded \$5,000.00 and the DA with the highest overall ranking will be awarded \$5,000. This incentive payment will be contingent upon availability of funds.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	931,188	1,498,268	1,498,268
TOTAL	0	931,188	1,498,268	1,498,268
FUND TYPE				
General Fund	0	348,544	597,435	610,390
Federal Revenue Fund	0	582,644	873,454	860,499
Interdepartmental Transfer	0	0	27,379	27,379
TOTAL	0	931,188	1,498,268	1,498,268

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aging and Disabilities

Department Mission Statement

The Department of Aging and Disabilities has the following goals:

- A. Assist older persons and adults with physical disabilities to live as independently as possible.
- B. Assist persons with disabilities to find and maintain meaningful employment.
- C. Assure quality of care and lift to individuals receiving health care services from licensed or certified health care providers and protect elderly and disabled adults from abuse, neglect and exploitation.

Description of Appropriations, Divisions, & Programs

In the Division of Advocacy and Independent Living, State and federal funds support personal care, home health, adult day, information and assistance, case management, respite care, and public guardianship to help elders and adults with disabilities stay independent.

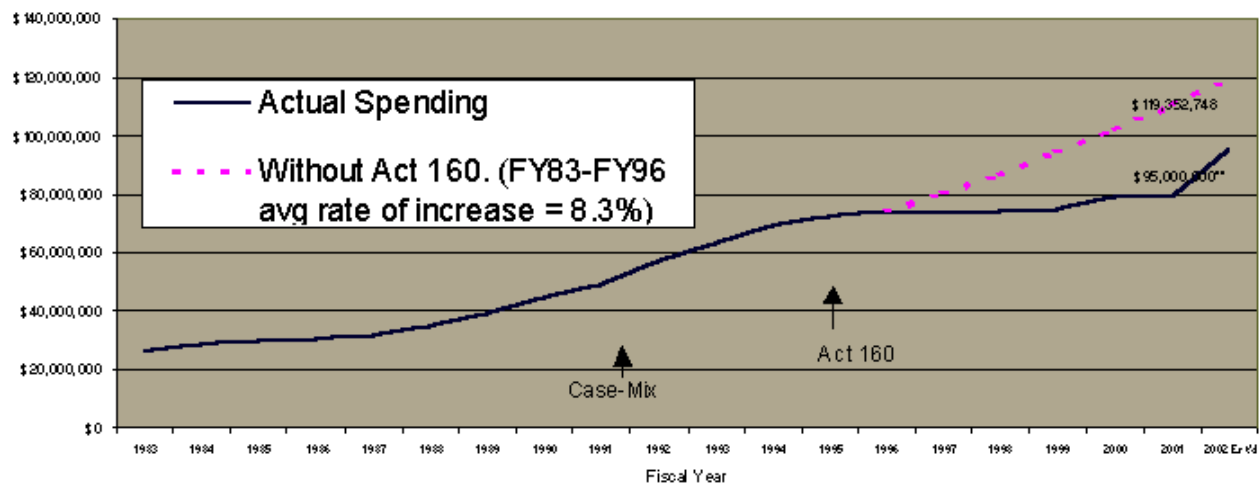
The Division of Vocational Rehabilitation helps people with significant disabilities enter the workforce, and works closely with the Department of Employment and Training, Corrections, Developmental and Mental Health Services, and PATH to help their clients find and keep work.

The Division for the Blind and Visually Impaired helps Vermonters with significant visual impairment find employment and funds many specialized services for blind and visually impaired persons of all ages.

The Division of Licensing and Protection monitors and regulates care and services provided by healthcare facilities and agencies to ensure quality of services and care. The Adult Protective Services program investigates allegations of abuse, neglect and exploitation of elders and adults with disabilities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aging and Disabilities

Nursing Home Medicaid Expenditures
Actual vs "Without Act 160" *



What Difference the Department Makes

Many more Vermont elders and adults with disabilities live at home or in other community settings that they prefer.

Our Attendant Services Program provided funds and services for more than 300 people with severe disabilities that make it possible for even the most severely disabled individuals to live in their own homes to hire and manage their own caregivers and live an independent life.

In FY 2001, Aging and Disabilities helped 1247 individuals remain at home through our Home and Community Based Waiver program.

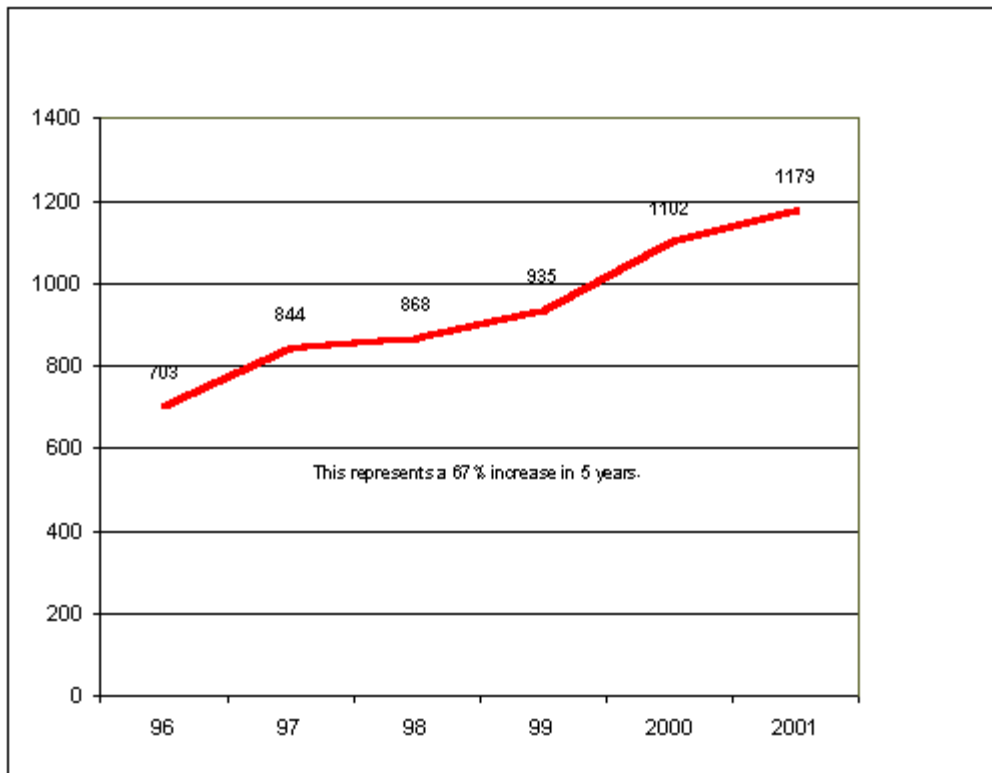
The Traumatic Brain Injury Program served 51 individuals, most of whom remain at home and/or reside in local residential settings rather than institutional settings.

More adults with disabilities are now able to work and be more active members of their communities. In FY 2001, the Division of Vocational Rehabilitation successfully placed almost 1200 Vermonters with disabilities in gainful employment, an increase of 67 percent since 1996.

Vermont JOBS Initiative continues to demonstrate a 70 percent employment rate for youth at serious risk in Vermont's communities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aging and Disabilities

The 26 percent increase in individuals served in the Older Blind Program, from FFY 97 to FFY 01 provides services to a growing number of older blind and visually impaired Vermonters that improve daily living skills, enhance their quality of life and maintain their independence at home and in the community.



The quality of life of elders and adults with disabilities is protected.

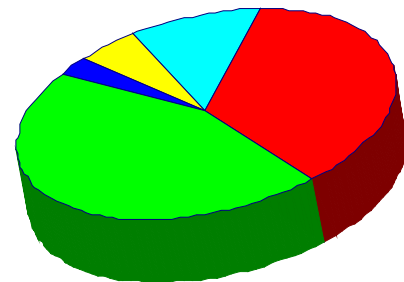
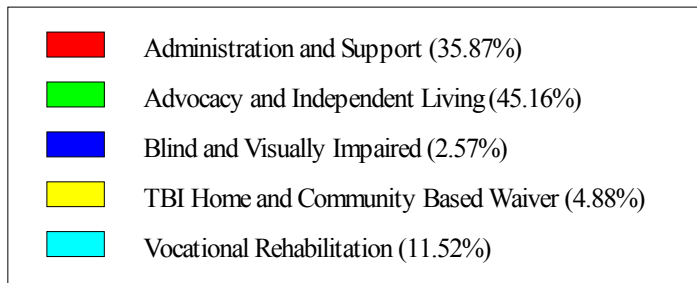
The quality of nursing home care in Vermont is among the best in the country. Our staffing levels in nursing homes exceed the national norms.

We investigated and resolved more than 1500 referrals regarding abuse and neglect, conducting 642 investigations.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aging and Disabilities

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration and Support	220	17,437,536	14,928,779	16,130,266	16,554,840
Advocacy and Independent Living	0	12,860,297	17,794,820	20,078,379	20,844,418
Blind and Visually Impaired	0	1,403,734	1,416,285	1,287,237	1,187,237
Vocational Rehabilitation	0	4,954,310	5,095,515	5,665,920	5,314,574
TBI Home and Community Based Waiver	0	0	2,251,760	2,251,760	2,251,760
	220	36,655,877	41,487,159	45,413,562	46,152,829
TOTAL					
FUND TYPE		12,826,634	15,440,956	15,090,460	15,209,207
General Fund		522,000	522,000	522,000	522,000
Transportation Fund		2,175,959	1,125,855	1,492,132	1,491,650
Special Fund		20,288,738	23,246,472	27,048,375	27,631,987
Federal Revenue Fund		842,546	1,151,876	1,260,595	1,297,985
Interdepartmental Transfer					
		36,655,877	41,487,159	45,413,562	46,152,829
TOTAL					



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

Description of Appropriations, Divisions, & Programs

The Department's Markets:

Goal A: Assist older persons and adults with physical disabilities to live as independently as possible.

The Department makes independent living services available to all Vermonters over 18 years of age who wish to remain as independent as possible but who, because of physical disability or reduced cognitive ability, need assistance with essential daily activities. Census estimates indicate that in 2002, there were 77,254 Vermonters 65 years old and older. Of those, 10,682 were at least 85 years old. People over the age of 85 are the most frequent users of long-term care services. Vermonters' need for assistance with personal care, meals, housing, housework, respite for caregivers, managing finances and, in some instances, decision-making are met by a variety of services designed to help people remain in their communities. Families and other unpaid caregivers provide most supportive and long-term care services. Because of the importance of these informal caregivers in helping people remain independent, the Department considers these caregivers a significant component of its market.

Supportive and long-term care services are provided to older Vermonters and Vermonters with disabilities through a variety of providers and publicly funded programs. The Department has responsibility for managing State expenditures for nursing homes and three Medicaid Waivers, although the dollars (with the exception of the TBI Waiver) are appropriated to the Department of Prevention, Assistance, Transition and Health Access (PATH). The following delineates the number of people served by key independent living services.

Service or Program	FY 99	FY 00	FY01	FY02	FY03	FY04
HOME AND COMMUNITY-BASED WAIVER	1000	1097	1139	1307	1430	1559
HOMEMAKER	729	751	780	850	850	750
ATTENDANT SERVICES	279	330	335	365	375	385
ADULT DAY CARE	775	807	877	978	978	978
ENHANCED RESIDENTIAL CAR	115	131	174	204	208	221

Demand for services continues to exceed the supply of publicly funded programs. The Attendant Services Program, a nationally recognized model for providing cost-effective consumer-directed services to people with disabilities, currently has a waiting list of 250 people. In January 2002, the Department began a new Medicaid State Plan service for physically disabled individuals who can direct their own care. Approximately 20% of the current participants have moved to this new Medicaid service thereby generating enough savings to serve approximately 35 additional people. Several years ago, the Department began prioritizing people onto the HCBS Waiver program, to ensure that the most frail and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

vulnerable elders received services first. This step reduced the waiting list, but not the need for Waiver services. Providing in-home services responds to consumer and family preferences, and these services are generally less costly than institutional care. The Waiver programs continue to serve individuals who are in a nursing home and need Waiver services to return to home, in a hospital and would go to a nursing home if Waiver services were not available, or at home at risk of imminent placement in a nursing home or in immediate jeopardy.

In recognition of the unmet need for community-based services and consumer preferences for alternatives to institutions, the 1996 Vermont Legislature passed Act 160. The law mandates a shift in expenditures of public funds from institutional care to home and community-based services. By the end of the four-year mandate, the Department had invested about \$20 million in community-based alternatives. During this last year, Vermont nursing homes experienced an historic low occupancy rate of 89%-90%. As of fall, 2002, over 300 nursing home beds were empty and a number of homes had occupancy rate at or below 85%. Clearly Vermont does not need all the beds it currently has.

Knowing that providers face severe staffing shortages, the Department continues to work with a wide variety of providers and consumers to discover and implement ways to improve the staffing situation. Using funds from the Real Choices Systems Change grant from the federal Centers for Medicare and Medicaid Services (CMS) the Department is following up on the recommendations from the 2001 study of the critical shortage of paraprofessional staff in Vermont and is working closely with a large task force to implement those ideas. The recommendations focus on improving recruitment, retention and working conditions. This grant will also support research and implement of several initiatives designed to improve the information and referral system, develop a professional caregiver association to improve staffing levels and expand service options for elders and persons with disabilities.

The Department continues to develop new initiatives to support elders and persons with disabilities in their communities.

- A major new initiative involving twenty-nine congregate housing sites now brings supportive services to elders, enabling them to “age in place”.
- The Department continues to support the residential care home industry, which provides an important residential alternative for elders and persons with disabilities. 81% of Level III Residential Care Home providers (76 out of 94 homes) are receiving Medicaid funding as a result of participating in the Assistive Community Care Services (ACCS) program. In spite of an increase in the ACCS rate, we continue to lose homes that are vital to maintaining a continuum of options for individuals needing long-term care services.
- The Department is also finalizing new assisted living regulations that will support the philosophy of “aging in place” for elders; and with support from the Department and anticipates that the first licensed assistive living residence will open in March 2003.
- A 9 unit group-directed residence for persons with severe physical disabilities South Burlington has operated successfully for over a year and is fully occupied.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

Improving the both the quality of life and quality of services for elders and people with disabilities remains a strong focus of the Department. The Department has finalized the third annual statewide consumer satisfaction survey. For the third year, consumers have expressed satisfaction with both the services delivered and the quality of their caregivers. Thanks to a federal grant that aims to improve the well-being of persons with disabilities, regardless of age, the Department, in cooperation with the Department of Health and other partners, is creating a program focused on preventing secondary conditions in persons with disabilities.

With support from the Legislature, the Department, in cooperation with DDMHS, the area agencies on aging and the community mental health centers, has begun to address the mental health needs of elders. During the first two years of operation over 450 individuals who would otherwise not have been served, received assistance with their mental health needs. Without these services, these elders would have been very much at risk of unnecessary admission to a nursing home or hospital. A federal research and demonstration grant from the Administration on Aging is providing additional resources to educate elders and the general public about mental health and aging with the goal of eradicating the stigma around mental health issues.

Ensuring that consumers make informed decisions about where, how and from whom they receive their long-term care services is an important goal of the Department. The Department is in the early stages of a public information campaign. Also, the Department has implemented a new statewide Options Education program for all individuals applying for long-term care services in a nursing home to ensure that they are aware of all available options.

The Department also provides community-based services to people who are at risk of institutionalization due to moderate to severe traumatic brain injury (TBI). Since the 1995 implementation of a Home and Community-Based Waiver for this population, the Department has been able to reduce the number of individuals sent to costly out-of-state rehabilitation centers from a high of twenty to one per year. Vermont has also been able to provide individualized community-based services to TBI survivors at a fraction of the cost of out-of-state institutionalization. In addition, TBI survivors are able to live in Vermont communities close to their natural support network. The TBI Waiver (short term) graduates almost as many people per year to more independent living settings as new people enter the Waiver program. The TBI Waiver was expanded in 1997 to serve younger adults age 16 and over. In 1999, in partnership with the Division of Mental Health, the TBI Waiver was expanded to serve individuals with a documented head injury and a diagnosis of mental illness who require long term community supports.

The Department also houses the Division for the Blind and Visually Impaired (DBVI). DBVI's Independent living program provides services designed to help visually impaired Vermonters remain in their homes and able to participate in community life. Service include skills training in activities of daily living and in the use of adaptive technology.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

Goal B: Assist persons with disabilities to find and maintain meaningful employment.

Vermont's economy is slowing down; yet, the unemployment rate for the Vermont labor force remains low at about 4%. Vermont is doing better than the nation in employing people with disabilities. The national unemployment rate stands at close to 70%; a sharp contrast to the 53% unemployment rate for Vermonters with disabilities. An estimated 55,000 Vermonters with disabilities report that they are unemployed or underemployed because of a disability or chronic health condition. This high rate of joblessness is an ongoing challenge for public rehabilitation agencies. Systemic barriers include a lack of necessary job skills, education and/or experience; a lack of support services and accommodations; discrimination in hiring and promotions; and a lack of accessible transportation. Vocational Rehabilitation and the Division for the Blind and Visually Impaired have increased the number of people with disabilities assisted to obtain employment every year for the last ten years. This year the Divisions enabled over 1200 Vermonters with severe disabilities to obtain quality jobs. Research indicates that over 70% of these individuals are employed 2.5 years post VR closure.

The Division of Vocational Rehabilitation (VR) and the Rehabilitation Services Administration operate the Vermont Work Incentive Initiative funded by three grants, from the Social Security Administration (SSA) and the Medicaid Infrastructure Grant (MIG), to address work disincentives for Vermonters receiving Social Security benefits. In partnership with the PATH, VR developed a Medicaid Buy-In program for individuals with disabilities who return to work and increase their earnings. In addition, the grants provide intensive benefits counseling for SSA recipients to help them understand the impact of work on their benefits. Data from the Benefits Counseling Program indicates that participants' average earnings double a year after entering the program and participants' average employment rates increased by two-thirds a year after entering the program. Due to the very complex interplay of federal and state benefits, benefits counseling appears to be an essential element for people taking the risk to work, increasing their earnings, and leaving the rolls. The Division is also sponsoring training for consumers, advocates and providers so that the new and improved work incentives will be shared with consumers and work will be supported as a goal. Vermont is considered a national leader in these efforts and VR staff have presented extensively on these programs. The high level of federal funds in Vermont supporting employment for people with disabilities has created a window of opportunity to increase the employment rate for Vermonters with disabilities.

The number of individuals served by Vocational Rehabilitation has increased by 39% in the last six years with only a cost of living increase in federal funds for the last five years. This increased demand is expected to continue as the Division increases its efforts to reach under-served populations, including welfare recipients with disabilities, Social Security beneficiaries, transition-aged youth with disabilities, and homeless Vermonters who are also mentally ill. VR has also an active presence within the one-stop Career Resource Centers housed at the Department of Employment and Training and plays a strong role in the workforce development system. VR partnered with the Departments of Education and Employment & Training to submit the first and only approved Unified State Plan under the Workforce Investment Act. In addition, the 1998 amendments to the Rehabilitation Act provide categorical eligibility for all individuals who receive Social Security benefits.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

VR is invested in serving youth in transition. In 1993, the first JOBS program started in Central Vermont. JOBS is a program that provides employment and intensive case management services to high-risk youth. JOBS is a supported employment program that uses work as a means to reach this challenging population. Outcomes for JOBS participants include a 70% reduction in involvement with Corrections, a 48% reduction in dependence on welfare and disability benefits, a 73% reduction in homelessness, and 40% of the high school dropouts achieved a GED. Through a partnership with the Departments of SRS, Corrections, and DDMHS, and the support of the Legislature, there are now seven JOBS programs across the state and one in development. VR continues the School to Career Program to provide specialized services to young adults with disabilities in transition from school to work. The Division has six full-time VR Counselors to serve young adults with traumatic brain injuries, severe physical disabilities, cognitive impairments, and emotional behavioral disabilities. Intense outreach has been done with area schools to identify unserved youth.

In FY 2001, in response to the restructuring of Vermont's welfare program to come into compliance with TANF requirements, VR entered into an interagency agreement with PATH to expand services statewide to welfare recipients with disabilities. As the welfare rolls decrease, it has been demonstrated that a high percentage of those remaining on welfare have disabilities. Using TANF block grant funds, VR has been able to provide intensive return-to-work services and follow-up to ensure that these ANFC recipients remain successful on the job. There has been a high level of communication between VR and PATH staff and the referrals have already reached program capacity. Many of these early referrals have very severe disabilities and are being granted SSI benefits as an appropriate alternative to welfare. Both PATH and VR agree that the program is providing very needed services to people who are in extremely difficult situations.

Vermont Business Community: There are approximately 23,000 employers in Vermont. The vast majority are small businesses with fewer than 20 employees. VR can provide a pool of qualified workers. In addition, VR provides support services to both the employer and employee after job placement to achieve successful and sustained employment. Over 70% of VR consumers continue to be employed after 2.5 years. The Division is currently organizing the Third Annual Governor's Summit on the Employment of People with Disabilities bringing together leaders from business, government and the disability community to focus on transportation barriers facing job seekers with disabilities. Mike Wallace will be the keynote speaker. VR in partnership with VABIR launched the Vermont Business Leadership Network at the Governor's Summit. The BLN is an association of businesses who have successfully hired people with disabilities and share their successes in a variety of ways with other employers. Currently there are 33 states that have similar groups.

The Division of Vocational Rehabilitation operates an employee assistance program (EAP) for Vermont employers. EAP services are available to any troubled employee to resolve any issue that is likely to or is affecting job performance. This program, financed by employers, enables Vermonters to maintain employment through early intervention, enables employers to maintain valued employees, and avoids the cost of rehiring and retraining employees. The program currently serves 46 companies with 4500

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

employees and the Vermont League of Cities and Towns with 240 towns and 3000 employees. Our mission is to enable small employers to access EAP services independently or through coalitions who might otherwise not have access to these services.

Vermont Public: Attitudinal barriers to the employment of people with disabilities are difficult to overcome. VR, VABIR and the Division for the Blind and Visually Impaired (DBVI) conduct ongoing education and awareness programs to change the public's perception of disability and to ensure every Vermonter's right to equal access to employment. In FFY 2002, as a result of VR services, over 1200 people with disabilities went to work. The number of Vermonters entering employment each year has more than doubled in the last ten years. These individuals spend their increased earnings in the Vermont economy and increase Vermont's tax revenues. In addition, the Division provides consultation and technical assistance on the Americans with Disabilities Act (ADA) and conducts disability access audits on public buildings.

Goal C: Assure quality of care and life to individuals receiving long term care services from providers, and protect elderly and disabled adults from abuse, neglect and exploitation.

The Department's Division of Licensing and Protection (DLP) carries out state licensing activities for nursing homes and residential care homes and is designated by the federal government to evaluate the performance and effectiveness of providers certified for Medicare and Medicaid. DLP assures that consumers who utilize services provided by certified or licensed providers receive quality care, which is in compliance with federal and state requirements. The market served by DLP includes health care consumers, providers, and any member of the public who has concerns about quality of care. The survey and certification process includes 44 nursing homes, 111 residential care homes, 16 hospitals, 22 rural health clinics, 11 home health agencies, 10 hospices, 1 Home for the Terminally Ill, 423 clinical laboratories, 6 end stage renal dialysis units, 2 intermediate care facilities for the mentally retarded, 2 outpatient rehabilitation agencies, 1 Ambulatory Surgical Care Center, 1 portable X-Ray, and 30 therapeutic community residences. DLP also manages the State's case-mix data system for nursing homes by collecting, verifying, and processing resident-specific data for residents of Vermont nursing facilities. The data system uses a standardized assessment tool that determines the functional, cognitive and acuity level of residents. Based on the resident specific data obtained from the nursing facilities, DLP calculates and assigns case-mix classifications that the Division of Rate Setting uses to determine the Medicaid rates paid to nursing homes.

DLP gathers and compiles specific information from each nursing home about each resident. The data collected provide valuable information on both resident and facility characteristics. These data are compiled into quarterly MDS indicator reports that are routinely shared with facilities. The quarterly MDS indicator reports offer the State and the provider community a set of objective performance measures for each facility, inter-facility comparisons, and comparisons with statewide averages. DLP has developed an informational nursing home web page for consumers that has specific information on resident satisfaction, staffing ratios, deficiencies, and other quality indicators for each facility.

STATE OF VERMONT
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Administration and Support

Another DLP protective function is the processing of adult abuse registry checks for health care employers. There has been a significant interest from employers who desire to obtain background checks on potential employees, as well as current employees. Approximately 19,430 adult abuse record checks were processed and returned to employers. Employers who utilize the DLP background check service are in a position to make hiring decisions that will further protect the public.

The Adult Protective Services (APS) program employs six staff to investigate reports of abuse, neglect and exploitation of elderly and disabled adults throughout Vermont. In addition to the investigations, APS workers provide a variety of casework services aimed at preventing and/or protecting victims from further abuse, neglect or exploitation. In FY 2002, 1,710 referrals were made to APS and 768 were opened for investigation.

Quality: The Department is developing indicators of quality for all parts of the long term care system. These indicators provide important information to assist State agencies and advocacy organizations whose roles are to protect and improve the long-term care system. The Department has quality indicators for nursing homes. In addition, nearly all nursing homes are using a uniform consumer satisfaction tool, the results of which are reported on the Department's web site. Work is continuing to define quality indicators for home care. Consumers of home and community-based long-term care are surveyed annually to determine their satisfaction with the long-term care system. This information is also available to the public through the Department's web site. Additionally, the Department participates in the yearly Vermonter Poll that measures Vermonters' knowledge of the long-term care system.

III. MEASURING OUTCOMES AND OUTPUTS:

A. Assist older persons and adults with physical disabilities to live as independently as possible.

Assure that nursing facilities (NF) are used by those people most in need.

Percentage of nursing facility residents who are lighter physical care.

FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
15.1%	14.2%	14.1%	13.2%	12.6%	11.9%

Provide cost-effective community-based alternatives to people who need nursing home level care.

Number of people diverted from nursing facility care by H&CB and ERC Medicaid Waiver programs.

FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1,115	1,228	1,313	1,307	1,430	1,460

Reduce Medicaid utilization; increase Medicare utilization.

Nursing facility patient days as percentage of total days:

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Medicaid	63.1%	61.6%	60.3%	60.9%	62.4%	62.2%
Medicare	8.0%	8.4%	9.1%	9.2%	9.2%	9.2%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

Provide community-based services to people at risk

- Percentage of recipients of HCBS Medicaid Waiver, Attendant Care, Adult Day Services, and Home-Delivered Meals who are frail as measured by Activities of Daily Living (ADL):

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
2 or less ADL' s	21.8%	59.5%	60.0%	47.0%	47.0%	47.0%
In poverty	39.8%	25.7%	26.0%	27.0%	27.0%	27.0%
Living alone	63.7%	41.5%	42.0%	60.0%	60.0%	60.0%
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
3+ ADL's	78.2%	40.5%	41.0%	53.0%	53.0%	53.0%
In povert	26.8%	29.2%	30.0%	31.0%	31.0%	31.0%
Living alone	30.1%	26.4%	26.7%	31.0%	31.0%	31.0%

Provide in-state community-based alternatives to Medicaid-eligible survivors of Traumatic Brain Injury (TBI).

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Number of people diverted or returned from out-of-state rehabilitative nursing facility placement and served by TBI prog.	20	34	36	37	35	37
Number of people who successfully exited from TBI program.	13	11	16	13	15	15
Number of people served through long term option.	0	12	15	22	22	25

B. Assist persons with disabilities to find and maintain meaningful employment.

Assist people with disabilities to find and maintain employment.

Percentage of VR clients with rehabilitation plans who achieved successful employment outcomes.

FY 99	FY 00	FY01	FY02	FY03Est.	FY04Proj.
68%	69%	69%	66%	68%	68%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

C. Assure quality of care and life to individuals receiving health care services from licensed or certified health care providers, and protect elderly and disabled adults from abuse, neglect and exploitation.

OUTCOME/PERFORMANCE MEASURE

Protect elderly and disabled adults from abuse, neglect and exploitation.

Total intakes to Adult Protective Services (APS)/

Number of substantiated cases of abuse, neglect or exploitation

FY 99	FY 00	FY01	FY02	FY03Est.	FY04Proj.
1,283	1,467	1,528	1,710	1,800	2,000
43	56	59	68	75	80

V. MEASURING PRODUCTIVITY AND EFFICIENCY: OUTPUTS
OUTPUTS

- 1) Assist older persons and adults with physical disabilities to live as independently as possible.
- 2) Medicaid expenditures avoided by diverting people from nursing homes to H&CB & ERC Waivers.
- 3) Average annual service cost for TBI clients compared to average annual cost in out-of-state rehabilitation facility.

	FY 99	FY 00	FY01
1)	\$16,447,710	\$17,183,948	\$21,726,596
2)	\$55,392	\$51,480	\$54,810
3)	\$127,398	\$131,841	\$131,841

	FY02	FY03Est.	FY04Proj
1)	\$26,080,009	\$32,912,539	\$37,547,481
2)	\$60,876	\$65,000	\$67,000
3)	\$136,875	\$142,4002	\$142,522

B. Assist persons with disabilities to find and maintain meaningful employment.*· Average per client case service cost for successful employment outcome.

FY 99	FY 00	FY01	FY02	FY03Est.	FY04Proj.
\$2,274	\$2,118	\$2,117	\$2,368	\$2,178	\$2,365

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration and Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	15,130,869	12,764,439	13,817,874	14,148,789
Operating Expenses	2,292,134	2,164,340	2,312,392	2,406,051
Land Structures & Improve Budg	14,533	0	0	0
<hr/> TOTAL	<hr/> 17,437,536	<hr/> 14,928,779	<hr/> 16,130,266	<hr/> 16,554,840
FUND TYPE				
General Fund	7,038,876	4,154,096	4,158,189	4,477,329
Special Fund	604,815	295,000	465,151	539,669
Federal Revenue Fund	9,064,738	9,402,807	10,721,331	10,714,857
Interdepartmental Transfer	729,107	1,076,876	785,595	822,985
<hr/> TOTAL	<hr/> 17,437,536	<hr/> 14,928,779	<hr/> 16,130,266	<hr/> 16,554,840

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Advocacy and Independent Living

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	12,860,297	17,794,820	20,078,379	20,844,418
<hr/> TOTAL	<hr/> 12,860,297	<hr/> 17,794,820	<hr/> 20,078,379	<hr/> 20,844,418
FUND TYPE				
General Fund	3,669,798	8,324,725	8,294,725	7,949,725
Transportation Fund	522,000	522,000	522,000	522,000
Special Fund	1,371,812	710,855	826,981	751,981
Federal Revenue Fund	7,221,687	8,162,240	10,359,673	11,545,712
Interdepartmental Transfer	75,000	75,000	75,000	75,000
<hr/> TOTAL	<hr/> 12,860,297	<hr/> 17,794,820	<hr/> 20,078,379	<hr/> 20,844,418

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Blind and Visually Impaired

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	1,403,734	1,416,285	1,287,237	1,187,237
TOTAL	1,403,734	1,416,285	1,287,237	1,187,237
FUND TYPE				
General Fund	540,111	540,106	540,106	440,106
Special Fund	159,332	120,000	120,000	120,000
Federal Revenue Fund	704,291	756,179	627,131	627,131
TOTAL	1,403,734	1,416,285	1,287,237	1,187,237

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vocational Rehabilitation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,954,310	5,095,515	5,665,920	5,314,574
<hr/> TOTAL	<hr/> 4,954,310	<hr/> 5,095,515	<hr/> 5,665,920	<hr/> 5,314,574
FUND TYPE				
General Fund	1,577,849	1,579,195	1,254,606	1,479,195
Special Fund	40,000	0	80,000	80,000
Federal Revenue Fund	3,298,022	3,516,320	3,931,314	3,355,379
Interdepartmental Transfer	38,439	0	400,000	400,000
<hr/> TOTAL	<hr/> 4,954,310	<hr/> 5,095,515	<hr/> 5,665,920	<hr/> 5,314,574

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
TBI Home and Community Based Waiver**

Performance Program Information

Traumatic Brain Injury Medicaid (TBI) Waiver Program

Results:

In 1991 the Department of Aging and Disabilities and the Department of Social Welfare began the operation of a program offering community-based rehabilitative services. The goal was and is to divert from placement and/or return Vermonters with a moderate to severe traumatic brain injury from out-of-state facilities. Prior to the development of this service, individuals were placed in expensive out of state facilities, often there for years, with little hope of returning to their home communities. The program demonstrates that individuals with a moderate to severe traumatic brain injury are appropriately served in community placements and all individuals improve their quality of life and level of functioning.

Effective October 1, 1994 this community based program, serving individuals 16 years of age and older, was approved and financed as a Medicaid Waiver Program [TBI Waiver] under the administration of the Division of Vocational Rehabilitation. Through collaboration with the Division of Mental Health, a long-term option for individuals requiring ongoing intensive one-to-one support was added.

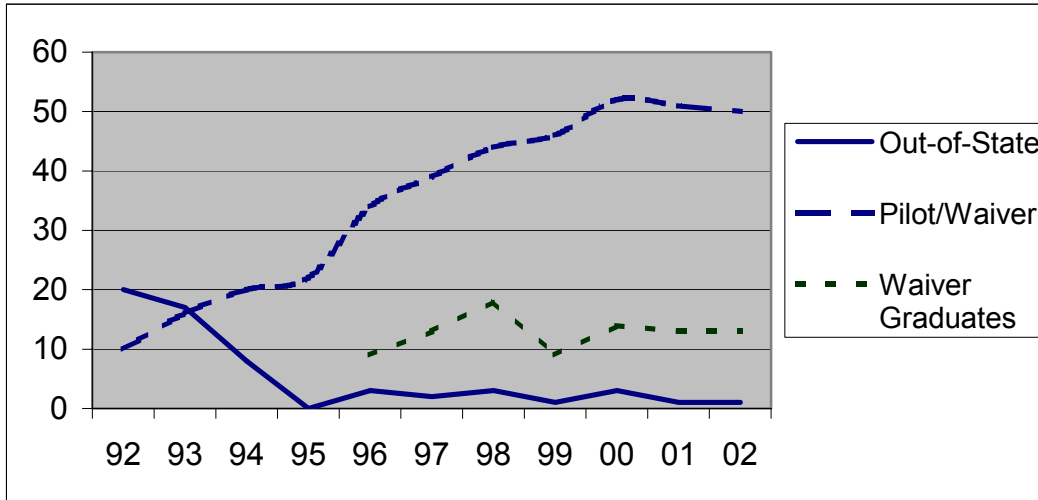
Therefore, short term in nature, over time the level of services and supports necessary decrease and, in many cases, culminates with graduation.

Key Indicators:

Since implementation of the TBI Waiver statistics indicate:

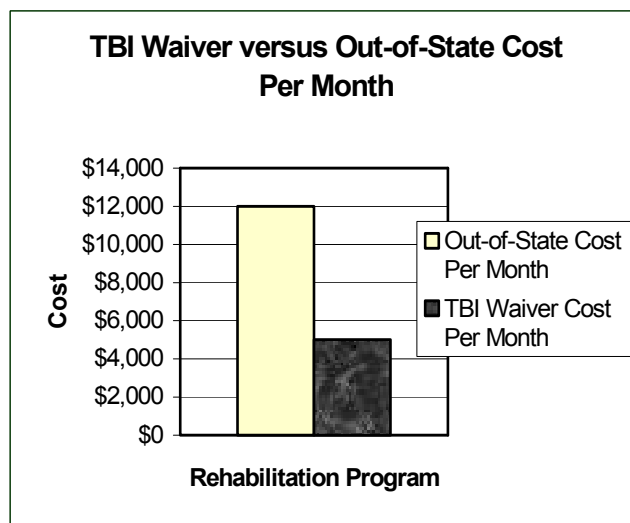
- Out of State placements dropped from a high of **20** to an average of 1 per year.
- Annually approximately 30% of individuals graduate.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
TBI Home and Community Based Waiver**



Key Indicators Continued:

- The average rehabilitation financial plan of care per person is approximately \$5,200 per month versus a projected out-of-state cost of \$12,000 per month saving Vermont approximately \$2,000,000 per year.



Story behind Baseline Performance:

Prior to the development of this program, individuals where placed in expensive out-of-state facilities,

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
TBI Home and Community Based Waiver

often there for years, with little hope of returning to their home communities. The TBI Waiver program demonstrates that individuals with a moderate to severe traumatic brain injury are appropriately served in community placements, all individuals improved their quality of life and level of functioning in a cost effective manner.

WAIVER STORY - ELIZABETH

Elizabeth, at age 21 faced life with all the enthusiasm, dreams, hopes, and fantasies of youth. Family and peers also described her as strong willed, extremely intelligent, a risk taker, and determine to experience all that the world had to offer! Out for an evening of fun with friends and feeling immortal, they drank and drove at excessive speeds and did not anticipate that curve in the road. Hours later, having sustained a severe head injury, Elizabeth's life hung by a thread and prognosis was poor.

With her parents by her side every step of the way, she again proved to the doubting the power of youth and determination of the human spirit. Facing challenges and struggles with hope and dreams, Elizabeth began the long journey through acute rehabilitation, and the TBI Medicaid Waiver program.

Now, four years since that fateful day, Elizabeth is employed and lives in a shared apartment. It is Elizabeth's enthusiasm, zest for life, passion, and positive attitude that sustains her on the road to recovery and now motivates others in their journeys!

Strategies Cont:

- A system of TBI provider agencies which consist of home health agencies, community mental health centers licensed under state statutes, and other independent service providers who meet the program standards and are approved by the State of Vermont, Department of Aging and Disabilities.
- The unique design of the program is based on a team approach with the consumers the key member. Under the direction of the case manager, a program is developed that best meets the needs of the consumer. In addition, monthly meetings are held with the purpose of discussing, reviewing and revising goals and outcomes.
- Array of services:
 - ◆ Case Management,
 - ◆ Rehabilitation Services,
 - ◆ Community Supports,
 - ◆ Assistive Technology,
 - ◆ Crisis Support,
 - ◆ Respite,
 - ◆ Psychology & Counseling Supports,
 - ◆ Employment Supports

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
TBI Home and Community Based Waiver

Improve Performance:

As soon as the fiscal environment permits, we believe we can further improve this program and improve financial efficiencies for this population by:

1. Increasing discharges from TBI Waiver through development and implementation of Targeted Case Management as an amendment to State Plan
2. Increasing funded slots for long-term supports to provide earlier intervention thereby increasing the potential for individuals to reach their optimum of functioning.
3. Increasing TBI Waiver Service re-imbursement in an attempt to increase availability of professional staff.

FY2004 Key Budget Issues:

- Increasing demand for Long-term TBI Waiver Services.

FY2004 Budget

Performance Measures Summary Table

Performance Measures	Actual FY01	Actual FY02	Target FY03	Target FY04
#1 Decreased out of state placements	1	1	1	1
#2 Increased program graduates	13	13	15	17
#3 Plans of Care less than \$12,000 per month	\$4,643	\$5,073	\$5,500	5,750

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
TBI Home and Community Based Waiver**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Grants	0	2,251,760	2,251,760	2,251,760
<hr/> TOTAL	<hr/> 0	<hr/> 2,251,760	<hr/> 2,251,760	<hr/> 2,251,760
FUND TYPE				
General Fund	0	842,834	842,834	862,852
Federal Revenue Fund	0	1,408,926	1,408,926	1,388,908
<hr/> TOTAL	<hr/> 0	<hr/> 2,251,760	<hr/> 2,251,760	<hr/> 2,251,760

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Economic Opportunity

Department Mission Statement

The Vermont Office of Economic Opportunity (OEO) seeks to increase the self-sufficiency of Vermonters and strengthen Vermont communities. OEO provides program and grants management, resource identification and development, training and technical assistance and advocacy for community-based organizations in a manner that fosters creativity and innovation.

OEO connects communities to resources within government and the private sector in order to eliminate poverty.

OEO provides this assistance through:

COMMUNITY SERVICES, which provides support for community-based organizations engaged in a variety of anti-poverty efforts.

FOOD AND NUTRITION SERVICES, which include nutrition education, commodity food distribution, and farmer's market food coupon distribution.

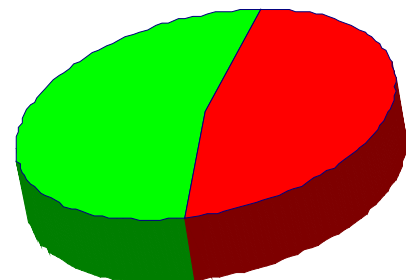
WEATHERIZATION SERVICES, a statewide program that works to reduce the energy costs for low-income families, particularly for the elderly, people with disabilities, and children.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Economic Opportunity

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Office of Economic Opportunity	9	11,034,061	5,342,611	5,355,244	5,459,871
Weatherization Assistance	0	0	5,451,436	5,451,436	6,194,473
TOTAL	9	11,034,061	10,794,047	10,806,680	11,654,344
FUND TYPE					
General Fund		992,369	1,110,673	1,112,039	1,164,813
Special Fund		4,526,542	4,592,613	4,596,300	4,597,896
Federal Revenue Fund		4,801,649	4,725,384	4,732,261	5,112,448
Interdepartmental Transfer		713,501	365,377	366,080	779,187
TOTAL		11,034,061	10,794,047	10,806,680	11,654,344

	Office of Economic Opportunity (46.85%)
	Weatherization Assistance (53.15%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Economic Opportunity

Description of Appropriations, Divisions, & Programs

COMMUNITY SERVICES

OEO's Community Services works to alleviate poverty and provide crisis assistance through emergency food, shelter and other services. Community Services involves a variety of state and federal funding sources aimed at specific program areas:

The Community Services Block Grant from the U.S. Department of Health and Human Services provides basic funding for Vermont's five Community Action Agencies (CAAs) and has been in existence since 1964. In 2001, Vermont CAAs provided over 153,000 direct service units to more than 38,000 low-income Vermonters.

The Federal Emergency Management Agency (FEMA) also awards emergency food and shelter funds to Vermont through OEO, which distributes these funds to over 27 non-profit organizations serving low-income Vermonters, thereby assisting them with emergency food and shelter needs.

*A combination of federal Housing and Urban Development (HUD) funding and a state General Fund appropriation provides Vermont homeless shelters and providers of services to the precariously housed, funds to meet the needs of the homeless or those at risk of homelessness. In SFY 2001, 4,510 individuals spent at least one night in a shelter in Vermont.

*The statewide MicroBusiness Development Program assists low-to-moderate income Vermonters who want to gain skills and knowledge necessary to start and operate a micro business. In 2001, 92 new businesses were started, and 110.5 new jobs were created by business start-ups and expansions. According to a recent survey of Job Start borrowers, nearly three-fourth were still in business. 47% has been in business for over six years.

*Individual Development Accounts (IDAs) - This one-year demonstration project is a matched-savings program that allows income-eligible participants to accumulate the assets needed to purchase a home, pursue higher education or capitalize a small business.

FOOD & NUTRITION SERVICES

OEO's Donated Foods Section is a liaison between the United States Department of Agriculture (USDA) and various recipient agencies in Vermont. Food is distributed to schools participating in the National School Lunch Program; day cares in the Child and Adult Care Program; summer feeding programs; non-profit institutions and soup kitchens; and low-income households. During FY2001, the Donated Foods Section facilitated the receipt and distribution of over 3.3 million pounds of USDA commodities valued at over \$2.4 million.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Economic Opportunity

OEO administers the Vermont Farm To Family Program, which gives about 5,000 low income families coupons they may redeem for fresh fruits and vegetables at Vermont farmers' markets. That number grew to 6,800 in 2001, thanks to a one-time federal grant to the state Agriculture Department that bought additional coupons to distribute to low income seniors. Over 200 farmers selling their produce at nearly three dozen markets are enrolled in Farm To Family. The popular program, funded with a mix of state, federal and private dollars, is expected to distribute about \$143,000 worth of coupons in 2001.

OEO works with the Education Department and VT Campaign To End Childhood Hunger to promote local participation in child nutrition programs, such as school meals and summer food service programs. The number of public schools offering the federal breakfast program has grown from 22 in 1987 to 262 currently.

In cooperation with the Department of Prevention, Assistance, Transition and Health Access (PATH), OEO develops state plans and manages grants to over a dozen agencies for Food Stamp Program outreach and nutrition education services.

OEO researches and develops data on poverty-related issues, such as conducting an annual statewide assessment of emergency food services. This survey has confirmed Vermont Foodbank estimates that over 100,000 Vermonters need to use these charitable food services at least one time during the course of a year. The survey is also used to update comprehensive regional listings of the state's emergency food sites, posted in the food and nutrition section of OEO's website.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Economic Opportunity

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	503,716	362,995	375,628	368,217
Operating Expenses	193,540	78,588	78,588	78,720
Grants	10,336,805	4,901,028	4,901,028	5,012,934
<hr/> TOTAL	<hr/> 11,034,061	<hr/> 5,342,611	<hr/> 5,355,244	<hr/> 5,459,871
FUND TYPE				
General Fund	992,369	1,110,673	1,112,039	1,164,813
Special Fund	4,526,542	91,615	95,302	57,867
Federal Revenue Fund	4,801,649	3,774,946	3,781,823	3,858,004
Interdepartmental Transfer	713,501	365,377	366,080	379,187
<hr/> TOTAL	<hr/> 11,034,061	<hr/> 5,342,611	<hr/> 5,355,244	<hr/> 5,459,871

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Weatherization Assistance**

Performance Program Information

FY04 Budget

Agency of Human Services/Office of Economic Opportunity Weatherization Assistance Program

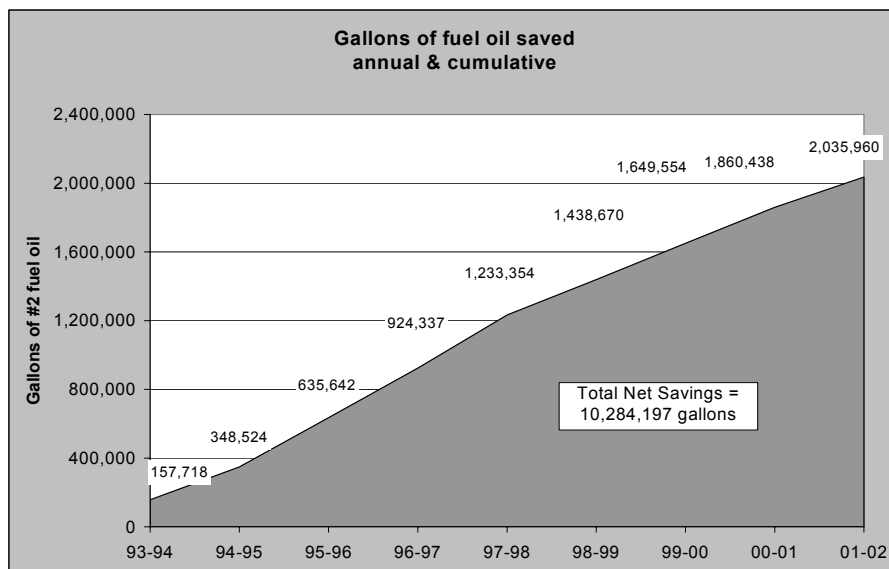
Results- Why are we here?

The Vermont Office of Economic Opportunity seeks to increase the self-sufficiency of Vermonters and strengthen Vermont communities. OEO provides program and grants management, resource identification and development, training and technical assistance, and advocacy for community-based organizations in a manner that fosters creativity and innovation. By connecting communities to resources within government and the private sector, OEO works to eliminate poverty.

The mission of the Weatherization Assistance Program is to reduce the energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency and comfort of their homes while ensuring their health and safety.

Key Indicators- How do we know what we are doing works?

Over a 9-year period, Vermont's Weatherization Program saved over 10.2 million gallons of home heating oil ... oil which would have been wasted by trying to heat energy-inefficient homes. The savings in 2001-2002 alone were equivalent to 204,828 gallons of oil or enough oil to heat 240 low-income homes at their rate of space heating fuel consumption prior to installing the weatherization measures.



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Weatherization Assistance**

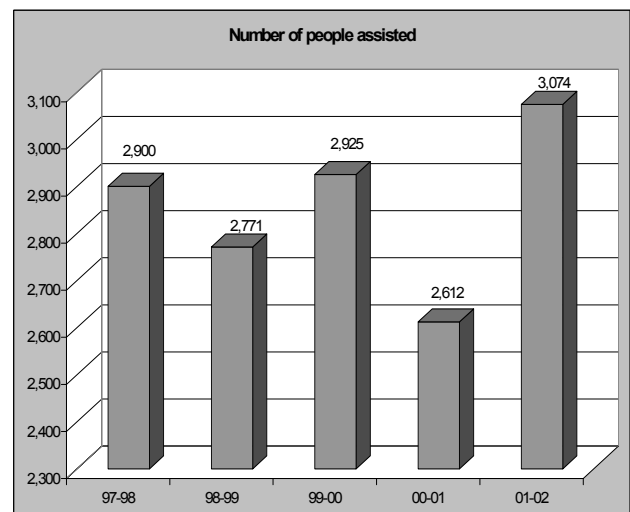
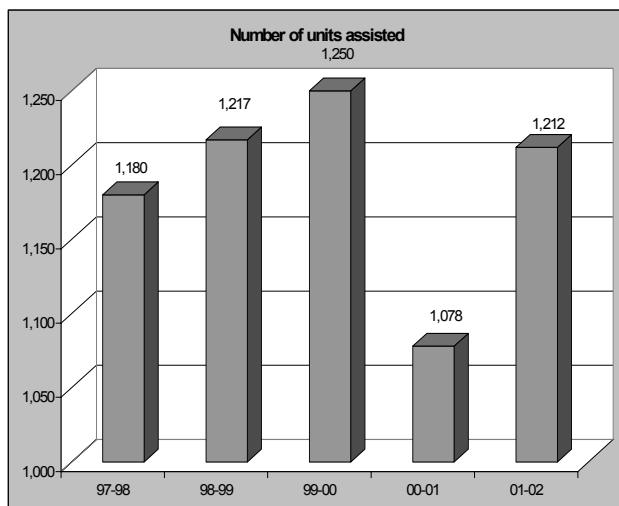
2000 Weatherization Impact Evaluation Results:

- 21.6% Average space heating percent savings
- 23.8 MMBTU Average space heating savings (weighted by fuel type)
- \$3,682 Average net present value of energy savings (weighted by fuel type)
- 131 Average KWH (electric) savings/unit

Story Behind Baseline Performance- Where we have been? Where we are headed?

Measure	1993-94	1995-96	1997-98	1999-2000	2001-02
Units weatherized	1,626	1,227	1,180	1,250	1,212
Avg. space heating % savings	20.1%	22.4%	23%	21.6%	21.6%
Air infiltration reduction	43.9%	49%	37%	36%	36%
Net Present Value savings/unit	\$4,232	\$4,315	\$5,538	\$3,743	\$3,743
*Weighted Benefit-Cost Ratio	1.8 to 1	1.79 to 1	2.45 to 1	1.83 to 1	1.83 to 1

*The Weighted Benefit-Cost Ratio attempts to more accurately measure benefits by “weighting” energy savings for different fuel types by the number of weatherized units which use each fuel type.



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Weatherization Assistance

Strategy- How do we accomplish our desired results?

Aggressive quality control procedures ensure the optimal performance of the program. Two state positions monitor new trends and innovations for incorporation into the program. The Program Coordinator routinely monitors local operators for proper administrative oversight while the Weatherization Technician inspects 10% of completed jobs to ensure quality work. Ongoing training is an important part of optimizing energy savings for every dollar spent.

Energy Efficiency Utility Partners with Vermont Weatherization Program

As of March 1, 2000, energy efficiency programs offered by Vermont's 22 electric utilities were consolidated and administered by a non-profit state energy efficiency "utility"(EEU) called Efficiency Vermont. The Vermont Weatherization Program plays a major role in two of the seven core programs to be delivered by the EEU. The Residential Energy Efficiency Program (REEP) which serves the low-income multifamily sector and the Low Income Single Family Program (LISF). Both of these programs build on existing programs that have previously been administered or delivered by the Vermont Weatherization Program and leverage significant resources for low-income Vermonters.

Multifamily Program

Vermont's Residential Energy Efficiency Program (REEP) brings together the state Weatherization Program, local utilities, property developers, and property owners and managers to reduce energy costs and promote the long-term affordability of Vermont's low-income housing. The program leverages utility incentives, weatherization subsidies, and owner investments to implement all cost-effective energy measures. This creative and effective partnership has demonstrated great financial and energy efficiency returns in a short period. REEP achieved over \$1,275,000 dollars in energy improvements in 893 low-income, multi-family residential units in less than two years. Estimated annual customer savings total more than \$225,000 and annual energy savings are estimated at 6,173 MMBTU. These energy savings reduce carbon dioxide emissions by 1,042 tons per year, which benefits all of Vermont's citizens through cleaner air and water.

Unique Emergency Response

The devastating flash floods that hit Montgomery and other towns in northern Vermont in 1997 catalyzed a cooperative effort between the Vermont Weatherization Program, utility companies, the State Energy Office, and a non-profit energy services company. These partners rapidly developed a program to give flood victims unbiased energy efficiency advice and financial incentives for installing high efficiency water heaters, heating equipment, lights, and refrigerators to replace flood damaged appliances. A hotline was established at the Office of Economic Opportunity to assist flood victims. This successful effort highlights the ability of the Weatherization network to mobilize quickly and effectively respond to emergency community needs.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Weatherization Assistance

What Do We Propose To Do To Improve

Performance in the Next Two Years? The Next 5 or 10 Years?

- Energy efficient refrigerators and hard wired efficient lighting fixtures are currently being added to the list of weatherization measures installed.
- Alliance with Vermont's new Energy Efficiency Utility will leverage significant resources and energy savings through the REEP Multifamily Program as well as fund enhanced electric efficiency measures in single-family homes.
- Partnership with Vermont's Department of PATH will install 120 emergency heating system replacements. This is a quick response, life saving program delivered by local operators that usually precedes weatherization.
- Partnership with Vermont's Department of Labor & Industry which makes the subgrantee "network" available for emergency carbon monoxide inspections.
- Continue to refine impact evaluation methods to include on-site monitoring of energy usage with rapid feedback of results to Weatherization providers.
- Work with Agency of Natural Resources to prevent oil leak occurrences in residential above-ground oil storage tanks.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Weatherization Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	143,735	143,735	149,237
Operating Expenses	0	30,761	30,761	30,761
Grants	0	5,276,940	5,276,940	6,014,475
<hr/> TOTAL	<hr/> 0	<hr/> 5,451,436	<hr/> 5,451,436	<hr/> 6,194,473
FUND TYPE				
Special Fund	0	4,500,998	4,500,998	4,540,029
Federal Revenue Fund	0	950,438	950,438	1,254,444
Interdepartmental Transfer	0	0	0	400,000
<hr/> TOTAL	<hr/> 0	<hr/> 5,451,436	<hr/> 5,451,436	<hr/> 6,194,473

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections

Department Mission Statement

The Vermont Department of Corrections, in partnership with the community, supports safe communities by providing leadership in crime prevention, repairing the harm done, addressing the needs of crime victims, ensuring offender accountability for criminal acts, and managing the risk posed by offenders. This is accomplished through a commitment to excellence that promotes continuous improvement, respect for diversity, legal rights, human dignity, and productivity. The Vision Statement for the Department puts it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control, and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

The strategic results to be achieved in corrections are: The Community is Involved; Victim Needs are Addressed; the Community is Restored; and the Offender is Responsible. When these four results are achieved, we will have the fundamental outcome: Safe Communities. The administration of the Department consists of the offices of the commissioner and deputy commissioner, and the supporting divisions of finance, information technology, and planning. The commissioner is supported by a legal division staffed by the attorney general.

CORRECTIONAL SERVICES

There are two sets of Correctional program: 1. Risk Management Services, managing offenders who pose risk of reoffense and threat of serious crime; and 2. Reparative Services, working with communities to respond to offenders who will be repaying the community for their offenses.

The Risk Management Services comprises the bulk of corrections resources:

1. Three central correctional facilities (Northern State in Newport, Northwest State in St. Albans, and Southeast State in Windsor) hold and treat violent and sexual offenders serving long sentences;
2. Three regional correctional facilities in St. Johnsbury, S. Burlington and Rutland, serve courts and law enforcement agencies by providing detention, classification and short sentence housing.
3. The Caledonia County Work Camp provides a less expensive means of incarceration for appropriate minimum security offenders who provide a public service to the community in a high activity program.
4. The Dale State Correctional facility for women offenders.
5. Nine Community Correctional Services Centers (CCSC's) manage offenders who need, supervision, treatment, surveillance, and custody.

Key outcomes are Public Safety and Quality Assurance. Programs to reduce criminogenic risk in the facilities include Sex Offender Treatment, the Cognitive Skills for Violent Offender Program, a federally funded Substance Abuse Program, the Community High School of Vermont, Vocational Training, and Work. Programs in the community include Domestic Violence, Intensive Substance

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections

Abuse, Cognitive Skills Training Program, the Community High School of Vermont as well as Sex Offender treatment, Violence treatment, Women's programs and other community-based treatment providers. Offenders are entitled to standards of care such as nutrition, sanitation, recreation, education, religious, basic safety, medical, dental, and mental health.

Reparative Services, consists of 10 Court and Reparative Service Units (CRSU's) that provide information to the courts at sentencing and eligibility determination for program placement, and assist Community Reparative Boards in creating appropriate reparative sanctions to low risk offenders. The services provided by this track include Restitution and Community Service. Key Outcomes for this track include Community and Victim Reparation, and Community Involvement. There are currently some 63 reparative boards operating in 36 different Vermont communities, involving over 500 citizen volunteers, who developed sanctions and restorative plans for 2,017 offenders last year.

VERMONT OFFENDER WORK PROGRAMS (VOWP)

Vermont Offender Work Programs operates industrial and training programs in correctional facilities, including printing, silk screen, furniture manufacture and assembly, sheet metal working, and many smaller correctional industries. VOWP assists the Community Work Camp, whose work service crews perform a wide variety of reparative services. VOWP also assists the Community Service Work Crews composed of offenders on probation and intermediate sanctions providing work service to communities across Vermont. Among many other projects, correctional community work service crews maintain all 110 Fishing Access Areas managed by the Department of Fish and Wildlife, all the state parks, and several forest projects. Crews work for nearly every town in Vermont, and many of the non-profit agencies ranging from food shelves to public libraries. Vermont Offender Work Programs also was a net revenue source for the State of Vermont. As a consequence, more than 430,000 hours of offender labor were put to use by Vermont citizens, at little or no cost, and at a slight margin last year.

PAROLE BOARD

The Parole Board is an autonomous body that is included in the Corrections appropriation only for administrative purposes.

EDUCATION

The Education program is covered in the performance narrative.

CORRECTION FACILITIES - REC

The recreation fund is funded by the commissions generated by inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities and leisure skills. In addition, several of the inmate boards have decided to make substantive donations to victim activities. Funds that are not expended in the year in which they are collected remain in the Recreation Fund to be used for this purpose in a subsequent year.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections

Appropriation Key Budget Issues

ADMINISTRATION

The Commissioner's Office faces a myriad of fiscal and programmatic challenges this year. These challenges include dealing with caseload burdens.

CORRECTIONAL SERVICES

The Department of Corrections will reduce two more Central Office positions in SFY 2004 to balance the budget. This reduction comes after 5 Central Office positions were reallocated to the field in SFY 2002 and 3 Central Office positions were cut from the Central Office in SFY 2003.

The largest budget issue in correctional services is the opening of the Southern State Correctional Facility in Springfield. Incorporated into the SFY 2004 budget request is \$8.3 million in general funds for the opening of this 350 bed facility. When Springfield is opened, it will allow the Department of Corrections to decrease its out of state population from 600 to 250.

Increased demands from law enforcement and the judiciary, particularly for pre-trial confinement of offenders, combined with community pressures around heroin abuse and the demand for increased protection, have created an increased demand for incarceration. This demand can only be reduced by giving communities the capacity, tools and will to take on a larger role in the control of less serious crime, and in creating and maintaining the informal social controls that prevent crime.

Keeping the prison population from growing in an increased demand climate require both increased community supervision and treatment resources, in the short run, and increased attention to prevention and diversion strategies for the longer term.

VERMONT OFFENDER WORK PROGRAMS

As such, there are no key budget issues for the Vermont Offender Work Programs. The VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund. In fact, the VOWP produces a modest revenue to the State General Fund through the PIECP program.

Service Impacts

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. Virtually all VOWP expenses represent money put back into the economy that would not have been there otherwise. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector and many services are as well. These purchases amounted to roughly \$1.4 million that was put back in the Vermont economy as a result of VOWP activities in FY 02. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy. These amounted to approximately \$1.0 million last year. Essentially, nearly all of the \$3.0 in VOWP revenues represents an equal amount of money put into the economy in the form of operating expenses.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections

Through PIECP partnerships there is additional value added. By Department of Corrections directive and inmate agreement, deductions are made to inmate wages. These deductions total no more than 80% of gross earnings. Deductions are made for taxes, restitution to the victim or payment to the victim restitution fund, family support, and room and board. The room and board deduction goes directly to the General Fund. Thus the Prison Industry Enhancement Certification Program provides additional benefits to the community and Vermont taxpayers.

PAROLE BOARD

There are no key budget issues facing the Vermont Parole Board in FY2004. The Parole board is an autonomous function, funded under the Department of Corrections for administrative purposes. The population served by the parole board continues to increase as the incarcerated population grows and is released. The parole board also reviews an increasing number of offenders on parole after serving a sentence on Supervised Community Sentence status. The statutory requirement for periodic review of inmates serving sentences in out of state facilities was reduced, reducing the budget pressure for parole board member trips out of state.

CORRECTION FACILITIES - REC

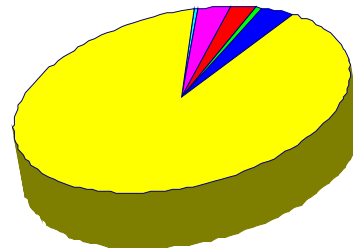
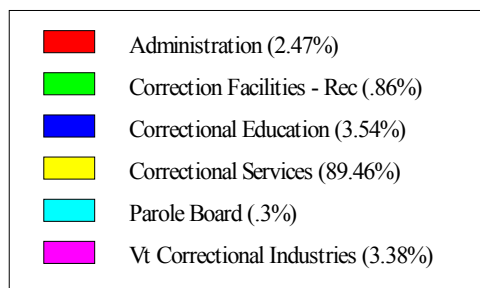
The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system.

The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victim activities. Funds that are not expended in the year in which they are collected remain in the Recreation Fund to be used for this purpose in a subsequent year.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	28	6,918,950	5,643,040	5,688,455	2,356,672
Parole Board	3	298,702	279,714	282,973	283,526
Correctional Education	47	2,724,519	2,990,982	3,068,464	3,367,458
Correctional Services	878	73,178,591	73,237,547	77,310,317	85,201,387
Correction Facilities - Rec	9	686,335	696,029	704,697	817,515
Vt Correctional Industries	22	2,827,642	1,937,054	1,962,900	3,216,473
TOTAL	987	86,634,739	84,784,366	89,017,806	95,243,031
FUND TYPE					
General Fund		75,257,303	75,416,105	79,590,709	86,725,644
Transportation Fund		1,423,479	1,424,702	1,424,702	1,424,702
Special Fund		955,287	1,353,029	1,363,483	1,454,515
Federal Revenue Fund		5,689,897	4,015,651	4,019,754	1,688,826
Internal Service Fund		2,827,642	1,937,054	1,962,900	3,216,473
Interdepartmental Transfer		481,131	637,825	656,258	732,871
TOTAL		86,634,739	84,784,366	89,017,806	95,243,031



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,720,484	1,817,690	1,863,105	1,731,897
Operating Expenses	322,142	322,087	322,087	322,087
Grants	4,876,324	3,503,263	3,503,263	302,688
<hr/> TOTAL	<hr/> 6,918,950	<hr/> 5,643,040	<hr/> 5,688,455	<hr/> 2,356,672
FUND TYPE				
General Fund	1,975,890	2,073,040	2,117,304	2,006,447
Special Fund	26,103	20,000	20,000	0
Federal Revenue Fund	4,916,957	3,550,000	3,551,151	350,225
<hr/> TOTAL	<hr/> 6,918,950	<hr/> 5,643,040	<hr/> 5,688,455	<hr/> 2,356,672

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	213,735	214,159	217,418	217,971
Operating Expenses	84,967	65,555	65,555	65,555
<hr/> TOTAL	<hr/> 298,702	<hr/> 279,714	<hr/> 282,973	<hr/> 283,526
FUND TYPE				
General Fund	298,702	279,714	282,973	283,526
<hr/> TOTAL	<hr/> 298,702	<hr/> 279,714	<hr/> 282,973	<hr/> 283,526

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correctional Education**

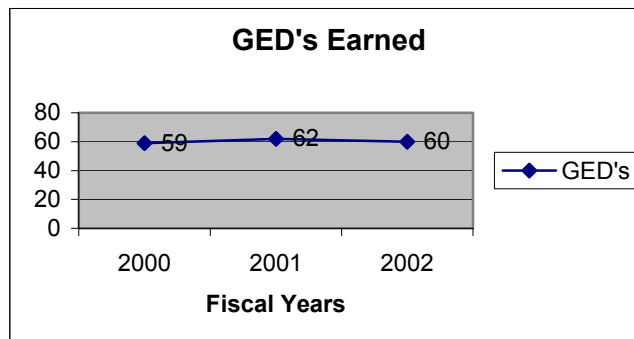
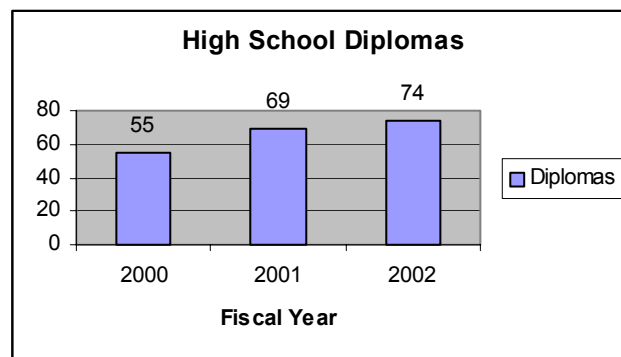
Performance Program Information

Results:

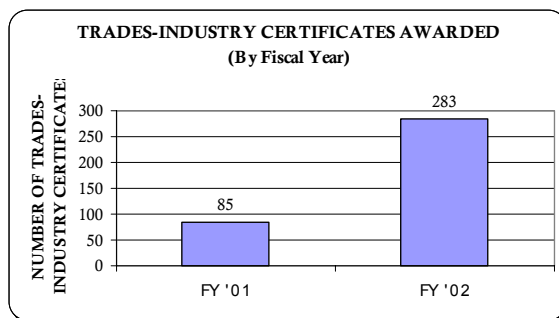
The purpose of the Community High School of Vermont (CHSVT) is “To provide quality educational services responsive to Academic, Vocational, and social needs of Vermont Residents, without a basic education; to improve their knowledge, skills, and abilities to function as meaningful participants in the community who have attained the Vital Results of Public Education:

- * Communication
- * Reasoning and Problem Solving
- * Personal Development
- * Civic and Social Responsibility”

Key Indicators:



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correctional Education**



Story behind Baseline Performance:

There has been and continues to be a great deal of public discussion about Vermont's need for an educated workforce. However, the issues of truancy, dropouts from high school, lack of work skills, and an influx of hard drugs, alcohol abuse, and violent, self-destructive and anti-social behavior have all been subjects of statewide concern.

The Community High School of Vermont (CHSVT) program provides the opportunity for youth and adults under correctional custody to return to education and job training as a means toward a better future. CHSVT provides direct instruction to students in prison and in the community. It is a statewide alternative high school designed to reengage undereducated and unskilled Vermonters through basic remedial education and job training, helping them prepare for successful reintegration into society.

The CHSVT provides basic education and job training to over 2,000 youth and adults annually. The 22-year-old dropouts, in prison and or on furlough are required to attend school. Older inmates who have similar education and training needs can attend on a voluntary basis.

With so many undereducated and unskilled young men and women, under correctional supervision, who will continue to reside in Vermont, it is vital to the economy of the State that this potential workforce are provided with the education and training necessary to succeed as wage earners and taxpayers.

Strategies:

1. Implement the School Action Plan to integrate efforts for continuous school improvement for enhanced student learning, with specific emphasis on faculty performance and professional development.
2. Enhance the quality and focus on student learning, increase the number of students and attendance levels.
3. Increase the number of students making progress in functional literacy.
4. Increase the number of students placed on Individual Graduation Plans that serve as road maps to graduation from high school.
5. Increase program emphasis on high school credits earned.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correctional Education

Performance Measures:

<i>How much we do</i>	FY01	FY02	FY03 (Est.)
1. Student Hours of Instruction (000s)	180.0	194.5	200.0
2. Assessments	1,997	1,836	1,900

Is anyone better off?

	FY01	FY02	FY03 (Est.)
1. Placed in Employment	262	296	302
2. Trade/Industry Cert.	0	85	283
3. High School Credits Awarded	0	809	900
4. Grad Plans Developed & Implemented	0	223	250

What do we propose to do to improve Performance?

1. Standardize the award of credit according to the Vermont HS standards as compared to seat time.
2. Work with employers to develop high school credentialing for vocational courses for integrated training by employer and CHSVT.
3. Increase the demonstration of trades and industry skill levels exhibited by the students.
4. Improve student truancy accountability at Community Correctional Service Centers targeted to youth.
5. Fully implement School Action Plan.

FY04 Key Budget Issues:

It is anticipated that parents of school age incarcerated youth with Special Ed. histories will demand full compliance with federal education law. Compliance will be obtained and special education costs contained only by providing and demonstrating a quality regular education program that benefits all students. In addition, the emphasis on moving individuals from custody to unsubsidized employment through skills training will increase.

FY04 Budget

General Fund \$2,826,763

Interdepartmental Transfer from
VT Dept of Education \$ 528,533

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correctional Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,333,767	2,628,772	2,706,254	2,945,248
Operating Expenses	390,752	362,210	362,210	422,210
<hr/> TOTAL	<hr/> 2,724,519	<hr/> 2,990,982	<hr/> 3,068,464	<hr/> 3,367,458
FUND TYPE				
General Fund	2,362,738	2,545,154	2,609,478	2,837,133
Interdepartmental Transfer	361,781	445,828	458,986	530,325
<hr/> TOTAL	<hr/> 2,724,519	<hr/> 2,990,982	<hr/> 3,068,464	<hr/> 3,367,458

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correctional Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Personal Services	49,706,104	49,396,235	50,698,147	57,195,488
Operating Expenses	22,966,475	23,461,812	26,232,670	27,126,399
Grants	506,012	379,500	379,500	879,500
TOTAL	73,178,591	73,237,547	77,310,317	85,201,387
FUND TYPE				
General Fund	70,619,973	70,518,197	74,580,954	81,598,538
Transportation Fund	1,423,479	1,424,702	1,424,702	1,424,702
Special Fund	242,849	637,000	638,786	637,000
Federal Revenue Fund	772,940	465,651	468,603	1,338,601
Interdepartmental Transfer	119,350	191,997	197,272	202,546
TOTAL	73,178,591	73,237,547	77,310,317	85,201,387

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Correction Facilities - Rec

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	434,778	391,579	400,255	473,599
Operating Expenses	251,557	304,450	304,442	343,916
<hr/> TOTAL	<hr/> 686,335	<hr/> 696,029	<hr/> 704,697	<hr/> 817,515
FUND TYPE				
Special Fund	686,335	696,029	704,697	817,515
<hr/> TOTAL	<hr/> 686,335	<hr/> 696,029	<hr/> 704,697	<hr/> 817,515

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Correctional Industries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,182,860	1,195,154	1,221,000	1,484,733
Operating Expenses	1,644,782	741,900	741,900	1,731,740
<hr/> TOTAL	<hr/> 2,827,642	<hr/> 1,937,054	<hr/> 1,962,900	<hr/> 3,216,473
FUND TYPE				
Internal Service Fund	2,827,642	1,937,054	1,962,900	3,216,473
<hr/> TOTAL	<hr/> 2,827,642	<hr/> 1,937,054	<hr/> 1,962,900	<hr/> 3,216,473

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Children's Trust Fund

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Children's Trust Fund	0	193,980	280,705	280,705	297,705
<hr/> TOTAL	<hr/> 0	<hr/> 193,980	<hr/> 280,705	<hr/> 280,705	<hr/> 297,705
FUND TYPE					
General Fund		103,111	102,705	102,705	102,705
Special Fund		8,986	90,000	90,000	50,000
Federal Revenue Fund		81,883	88,000	88,000	145,000
<hr/> TOTAL		<hr/> 193,980	<hr/> 280,705	<hr/> 280,705	<hr/> 297,705

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Children's Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	193,980	280,705	280,705	297,705
TOTAL	193,980	280,705	280,705	297,705
FUND TYPE				
General Fund	103,111	102,705	102,705	102,705
Special Fund	8,986	90,000	90,000	50,000
Federal Revenue Fund	81,883	88,000	88,000	145,000
TOTAL	193,980	280,705	280,705	297,705

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

The Governor's Commission on Women (GCW), as a state agency, works to shape policy by educating and informing the public. The Commission works to find long-term solutions to the problems that confront women and their families by increasing educational, economic, social and health-related opportunities.

Core Values

The Governor's Commission on Women believes that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all. We strive to ensure that all women live with justice, equity, freedom, dignity, privacy, and equality and in economic self-sufficiency, mental and physical health, and well-being. We will listen respectfully, assess, and speak, and we will be pro-active.

Vision

The Governor's Commission on Women joins its counterparts nationally and internationally in seeking to help women and their families gain access to the rights, privileges, and resources needed to live in justice, dignity, freedom, equality, and economic security.

The Commission is comprised of 16 Commissioners, 14 Advisors representing state wide women's organizations and an Executive Director, a Communications Coordinator, and an Office Manager.

Description of Appropriations, Divisions, & Programs

The Governor's Commission on Women is, in itself, a program. We are the only state agency singularly focused on women's economic and social well-being.

Commission work is guided by the 2000-2005 Strategic Plan summarized below:

Health, Safety, & Civil Rights

Goal: Women will live free of violence and have access to the health care they need.

Strategies:

- a. Protect women's reproductive rights by opposing legislation calling for restrictions on reproductive choice
- b. Support programs and policies which provide Vermonters access to universal health care
- c. Provide women with information about their legal rights in Vermont
- d. Provide women offenders with greater protections from sexual assault
- e. Promote civil rights for all Vermonters

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Leadership & Public Life

Goal: Women will be influential leaders.

Strategies:

- a. Assist women to gain appointments to Vermont state boards and commissions
- b. Promote opportunities for involvement in public life at the local, state, and national levels
- c. Encourage youth to join Vermont state boards and commissions
- d. Honor women who work to improve the lives of other women

Goal: More women will vote.

Strategies:

- a. Increase voter turn out especially among young and low-income women
- b. Support voter access initiatives

Economic Equity & Security

Goal: Women will have support to balance work and family life.

Strategies:

- a. Advocate for legislation for paid parental, family, and medical leave
- b. Inform Vermonters of Vermont's family leave law
- c. Collaborate with early care and education advocates to promote high quality and affordable early care and education for young children

Goal: Women and men will earn equal pay and a livable wage.

Strategies:

- a. Support state and federal legislation guaranteeing pay and benefit equity
- b. Offer education and training to women, business groups, and employers about pay equity and fair pay policies
- c. Support legislation promoting livable wage

Performance Program Information

Results: The Vermont Commission on Women (VCW) is an independent state agency established in 1964 and comprised of 16 Commissioners appointed to four years terms by the governor and legislature. Additionally, the Commission is advised through representation from 14 women's organizations in the state and employs a staff consisting of an executive director, a communications coordinator, and an office manager. The purview of the Commission is to help shape public policy by educating and informing the public about the specific concerns and conditions of Vermont women and to assist in providing solutions to problems of Vermont families by increasing educational, economic, and social opportunities for all.

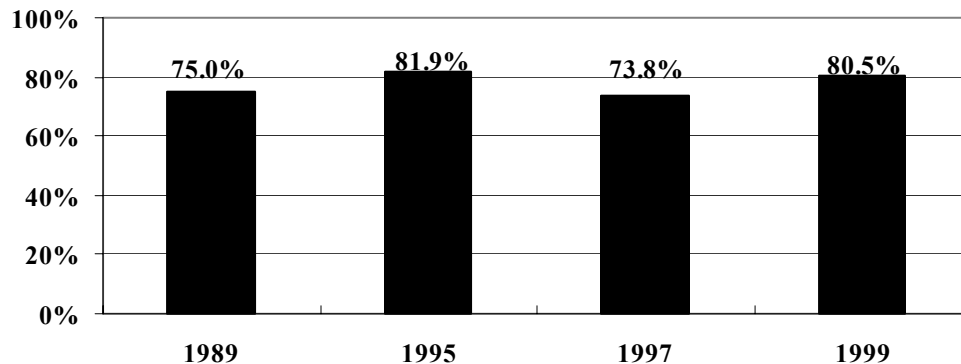
Key Indicators

#1 Closure of the Wage Gap: While Vermont continues to show a slight improvement over the

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

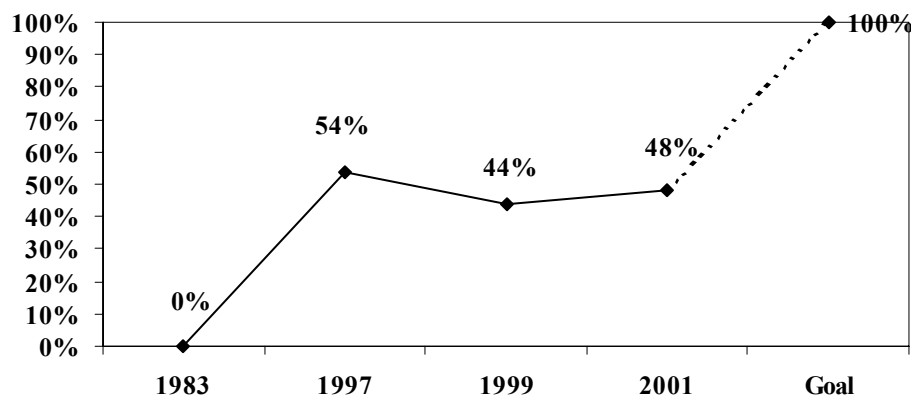
national average in closing the wage ratio between men and women, the gap actually widened in the state in the late 1990's for the first time. Given its current pace, the estimate is that wage parity for both genders will not be reached in Vermont until 2033.

**Wage Ratio Between Vermont Women's and Men's
Median Annual Earnings in Vermont**



#2 Gender Balanced Boards and Commissions: The Commission has provided the public with detailed information on the gender composition of state boards and commissions since 1983.

**Gender Balanced
Vermont Boards and Commissions**



The Story Behind the Baseline Performance

#1 In 1963 when the national gender wage gap was first measured, women earned 59 cents for every dollar earned by men. That gap has slowly narrowed but still remains, and the typical Vermont family loses \$5,000 annually as a result. Polls show that men and women acknowledge the existence of the wage gap and it has become evident that only a multi-faceted, long-term societal effort will effectively

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

address the disparity.

#2 When first analyzed in 1983, no state board or commission was gender balanced - in fact, the majority of such state entities had no female members at all. In the past 20 years there has been some progress, but 52% of the state's boards and commissions still remain male (and in a few cases, female) dominated.

Strategies

#1 Public education is the most effective work in this area, for example, publicizing the current wage gap data for Vermont annually on Equal Pay Day through rallies, workshops, and press conferences. As the only state agency singularly focused on Vermont women's economic well-being, the Commission most recently collaborated with other organizations for legislation that bars employers from retaliating against employees who inquire about each other's pay. The Commission provides information on job searches in Vermont as well as information on grants, loans, and scholarship opportunities for Vermont women. The Commission will continue to employ effective strategies collaboratively in partnerships and coalitions, both within the state and nationally, towards the goal of improving Vermont women's economic well-being.

#2 The Executive Order establishing the Commission in 1964 charges it with "supporting a more active role for women in the political life of the state." One of the many ways the Commission does this is frequent communication with the Boards and Commissions Appointments staff at the Governor's Office. Information on specific openings on state boards and commissions is passed on electronically or in print to the public. Recruitment for state boards and commissions is also effected through the Commission's publication, Getting Appointed to Vermont State Boards and Commissions. This handbook covers the appointments process and how to apply, as well as how to learn more about a specific board or commission. The Commission website contains a downloadable version of this publication and a generic application for a seat on a state board or commission. In addition, the website features the following publications: The Legal Rights of Women in Vermont, Sexual Harassment in the Workplace, a biannual newsletter The Update, an annual report Benchmarks, a set of comprehensive educational materials for health consumers named the Women and Managed Care Initiative, and The Vermont Guide to Parental and Family Leave.

Commissioners and staff present a wide variety of forums and workshops for the public every year. One such workshop, *Taking Your Place at the Table—A Leadership Workshop for Women*, offered on cable television and in communities around the state, presents a panel of former state legislators, a school board representative, and Governor's staff for boards and commissions appointments in a discussion of their experiences as policy makers and how to access and make a contribution to the public and political life of the state through a board or commission. Frequently the workshop presentation inspires audience members' applications to state boards and commissions.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Performance Measures

- ◆ Number of gender balanced Vermont boards and commissions
0% ('83), 54% ('97), 44% ('99), 48% ('01)
- ◆ Vermont wage gap between men and women
75% ('89), 82% ('95), 73% ('97), 80.5% ('99)
- ◆ Percentage of Vermont young women pursuing college majors in math, science, and engineering
15% in Math, 40 % in Physical Science, 15% in Engineering ('01 data)
- ◆ Percentage of women business owners in Vermont
35% ('92), 25% ('97), 28% (02)

Improving Trend Performance in the Future

The Commission will:

- ◆ Continue to educate the public and policy makers about the wage gap and possible remedies
- ◆ Support and strengthen programs for women's entrepreneurship
- ◆ Publicize and support the development of programs that train girls and women in high-tech fields
- ◆ Encourage women to volunteer for boards and commissions through workshop panel presentations and current information regarding specific opportunities on state boards and commissions

FY 04 Key Budget Issues and FY 04 Budget

With the current recommended appropriation for fiscal year 2004 the Commission will provide the following functions, products, and services: a website (www.women.state.vt.us); the Vermont Information Exchange for Women (VIEW) through which e-mail messages on state and federal policy issues of specific interest to women are sent to subscribers, distribution and updates of current publications, and educational special events such as Equal Pay Day. Due to the state's fiscal constraints, the Commission will cut several previous functions and services.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Commission on Women	4	225,269	235,386	249,465	239,151
<hr/> TOTAL	<hr/> 4	<hr/> 225,269	<hr/> 235,386	<hr/> 249,465	<hr/> 239,151
FUND TYPE					
General Fund		207,433	230,386	244,465	234,151
Special Fund		4,730	5,000	5,000	5,000
Interdepartmental Transfer		13,106	0	0	0
<hr/> TOTAL		<hr/> 225,269	<hr/> 235,386	<hr/> 249,465	<hr/> 239,151

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	192,650	179,680	185,632	174,809
Operating Expenses	32,619	55,706	63,833	64,342
<hr/> TOTAL	<hr/> 225,269	<hr/> 235,386	<hr/> 249,465	<hr/> 239,151
FUND TYPE				
General Fund	207,433	230,386	244,465	234,151
Special Fund	4,730	5,000	5,000	5,000
Interdepartmental Transfer	13,106	0	0	0
<hr/> TOTAL	<hr/> 225,269	<hr/> 235,386	<hr/> 249,465	<hr/> 239,151

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

Department Mission Statement

State funding to RSVP, which amounts to 10%-15% of the projects operating budget, helps to further the mission of meeting local community needs through the utilization of the skills and talents of volunteers.

Description of Appropriations, Divisions, & Programs

The Retired and Senior Volunteer Program is one of three volunteer programs within the Senior Corps funded by the Corporation for National and Community Service by the National Service Trust Act of 1993. In Vermont there are currently over 4,500 volunteers who give about 450,000 hours of service to over 1,100 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others. State funding has been provided since FY 77 under Act No. 185 of the 1977 Adjourned Session. The Act reads: "...funds shall be administered by the Department of Aging and Disabilities and be disbursed by it to each local program to meet direct costs incurred by supporting volunteers such as insurance, travel, and meals".

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Retired Senior Volunteer Program	0	132,400	130,071	130,071	123,567
TOTAL	0	132,400	130,071	130,071	123,567
FUND TYPE					
General Fund		132,400	130,071	130,071	123,567
TOTAL		132,400	130,071	130,071	123,567

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	132,400	130,071	130,071	123,567
TOTAL	132,400	130,071	130,071	123,567
FUND TYPE				
General Fund	132,400	130,071	130,071	123,567
TOTAL	132,400	130,071	130,071	123,567

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

Department Mission Statement

The Vermont Veteran Home shall have as its primary purpose the creation and maintenance of a program of residential care administered with a view to providing the highest quality of medical and nursing care, pain management, emotional and psychological support to eligible veterans, spouses of veterans, and eligible parents of veterans.

The Vermont Veterans Home shall also provide domiciliary services and a rehabilitative program to eligible veterans.

The focus of the Vermont Veterans Home will be the individual residents of the Home, recognizing that each resident is unique and deserves a safe and caring environment that promotes a sense of dignity, self respect, and choice. This goal will be reached using resident-centered teams of highly motivated staff and delivering to each resident a program of high-quality physical and psychological services that address each resident's individual needs.

To achieve the highest level of care possible for resident, the administration of the Vermont Veterans Home will strive to:

- hire and retain high-quality health care professionals,;
- pursue programs that offer best medical and nursing practices; and
- maximize participation of each resident in making and carrying out procedures and processes that are intended to benefit the medical, emotional, and psychological well-being of the resident.

In order to maintain an atmosphere conducive to the well-being of each resident, the Vermont Veterans Home will maintain an environment that is characterized by:

- continuity of care;
- spiritual guidance;
- daily social and recreational activities that serve to maintain vigor, reduce anxiety and enhance feelings of self-worth;
- aesthetically pleasing surroundings;
- and procedures that maximize the personal safety of each resident.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

Description of Appropriations, Divisions, & Programs

Budget figures are based upon the same general fund appropriation as last year and a nursing home census of 165 that would represent a nursing home census of 90% and a five percent increase of our present census. The overall budget represents a 6 % increase over last years appropriation. Although we anticipate an increase in personal services and operating expenses that will exceed the 6% increase, we expect the increase in census to absorb the additional costs.

The general fund provides for approximately eight percent of the Vermont Veterans Home budget. Other payment sources include the Veterans Administration, Vermont Medicaid, New York Medicare, Medicare and private revenue. The Veterans Administration provides approximately 26% of the homes budget. Their payments to the home are a per diem payment based on the number of veteran resident days, which is 94%, and are to be used toward the care of the veteran. Vermont Medicaid census represents 73% of the population and provides 46% of our revenue. Private pay census is 11% of the resident population and approximately 8% of the budget. Medicare resident census is about 9% and 8 % of the budget. The balance of our funding comes from our New York Medicaid residents that run about 7% of the residents and 4% of the budget.

Programs

The Vermont Veterans Home takes pride in delivering the highest quality of care to all the residents. In addition to our promise to care for each of our residents with the dignity and respect they deserve, we have developed some specialized programs that further enhance the quality of life for each of our residents.

- 1) Dementia Care As the need for dementia care has increased, the Vermont Veterans Home has met that need by increasing the number of dementia beds available. We have further developed our activity based programming that has been very successful as the activities have increased the quality of life for our dementia resident and served as a comfort to our resident families.
- 2) Palliative Care The home allows families of residents to be comfortable and near their loved one during the end stage of life. Guest accommodations are available for those that are in need, particularly those who live a distance from the home. Grant monies enabled the home to open a palliative care library that serves as both a quiet place to go and a resource for end of life issues. Our Chapel is available for both the resident and their families.
- 3) Pain Management Pain management is an utmost priority to the staff at the Vermont Veterans Home. Ongoing education in this area allows the staff through observation such as a change in behavior patterns, increased agitation, changes in appetite, and body language, to

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

identify pain and seek treatment for even the totally dependent resident. We will continue to focus on a delivery of care that includes the management of pain.

4) Wound Care The Vermont Veterans Home has a very passionate and knowledgeable team led by our Director of Nurses that has met with great success in preventing, identifying, reducing or eliminating wounds. We intend to expand our staff of wound care professionals by increased wound care training.

Appropriation Key Budget Issues

Admissions:

This budget was based on a census averaging 165 residents per day. We anticipate no trouble attracting residents to our facility. Maintaining that level of census, however, is directly related to maintaining the appropriate level of nursing staff to provide quality care to our residents. We will continue to carefully monitor our abilities to meet the needs of our new residents with the same high standards of excellence we now deliver to our present population.

Staffing:

One of the ongoing challenges for the nursing home has been attracting and retaining the appropriate nursing staff to meet the needs of our resident population as well as meet the per patient day standards. Presently, we are at 3.1 to 3.2 nursing hours per patient day. The *minimum* staffing standards are 3.0. We have made progress and consider the Vermont Veterans Home to be competitive in the nursing market. We have accomplished this by increasing the wages of the nursing staff and offering a more flexible work schedule such as the twelve-hour shift. The business office has taken on some paper tasks that were previously done by the nursing staff to allow for more nursing hours on the floor and less overtime. These tasks include monitoring sick time and scheduling. The Vermont Veterans Home is offering Licensed Nursing Assistant classes, which have resulted in an increase in the LNA staff. We have restructured our new employee orientation process to ensure a more contented, more knowledgeable employee. We continue to recruit professional staffing through advertising, participating in job fairs and nursing college placement offices.

Financials:

We face many challenges in this budget. The VVH budget was prepared based on our present reimbursement rates. Medicare pays by the Prospective Payment System (PPS). Every Medicare resident is periodically evaluated utilizing a Minimum Data Set, (MDS), that assesses each resident and assigns a rug category that directly relates to the reimbursement rate that will be paid. As of October 1, 2002, the rates for every category have been reduced and in many cases, the care needed to maintain the rug score has increased. This has resulted in not only lowering the reimbursement, but also increasing

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

the cost of care. We are faced with an even greater obstacle to overcome, as our Vermont Medicaid rate is dependent upon our Medicare rate. The New York State reimbursement rate is directly related to the Vermont Medicaid rate. The result would be reduced revenue in 58% of our payer sources and depending on the severity of the cuts, which is directly related to the resident care needs that are financially determined by the rug score, could have a severe financial impact on the home. Some of the measures we have taken to reduce the severity of the impact to the home include:

- 1) Monitoring the MDS input to ensure that all care is being recorded properly to maximize the reimbursement;
- 2) decreased all non essential spending;
- 3) analyzed and reduced, where possible, sick and overtime pay.

An additional revenue reduction has been announced by The Centers for Medicare and Medicaid, (CMS), and may be implemented as early as July, 2003. A \$1500 cap on therapy which has been under a two year moratorium, expired on December 31, 2002 and has been put on hold until their system is able to track the per patient expenses. Industry experts indicate that the earliest this could be ready is July, 2003. We await further information on this expected this month.

On the expenses side, we are trying to hold a very tight line while maintaining the high quality care we deliver. Our plan is to absorb the anticipated increase in drug costs, medical supplies and food by the increase in census.

The new HIPPA requirements and must be fully in place by October, 2003. Expenses to comply with these regulations, predominately in employee training, will have an impact on this budget.

Conclusion:

As a health care provider, we are facing a very difficult financial time. This budget was based on the present reimbursement rates. Therefore, any reductions in revenue could greatly affect this budget. The Vermont Veterans Home will continue to take advantage of all cost savings and revenue enhancements that are available to us and carefully monitor and control expenses, where ever possible, while continuing to provide high quality care to our residents.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Care and Support Services	215	11,471,402	12,238,612	12,238,612	13,033,841
<hr/> TOTAL	<hr/> 215	<hr/> 11,471,402	<hr/> 12,238,612	<hr/> 12,238,612	<hr/> 13,033,841
FUND TYPE					
General Fund		1,431,666	911,786	911,786	964,171
Special Fund		7,250,100	8,025,908	8,025,908	7,477,877
Federal Revenue Fund		2,789,636	3,300,918	3,300,918	4,591,793
<hr/> TOTAL		<hr/> 11,471,402	<hr/> 12,238,612	<hr/> 12,238,612	<hr/> 13,033,841

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Care and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	9,169,531	9,198,414	10,037,198	10,556,446
Operating Expenses	2,288,556	3,040,198	2,201,414	2,477,395
Grants	12,813	0	0	0
Land Structures & Improve Budg	502	0	0	0
<hr/> TOTAL	<hr/> 11,471,402	<hr/> 12,238,612	<hr/> 12,238,612	<hr/> 13,033,841
FUND TYPE				
General Fund	1,431,666	911,786	911,786	964,171
Special Fund	7,250,100	8,025,908	8,025,908	7,477,877
Federal Revenue Fund	2,789,636	3,300,918	3,300,918	4,591,793
<hr/> TOTAL	<hr/> 11,471,402	<hr/> 12,238,612	<hr/> 12,238,612	<hr/> 13,033,841

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Assoc for Blind and Visually Impaired**

Department Mission Statement

For the past 75 years, Vermont Association for the Blind & Visually Impaired (VABVI) has been, and remains, the only private, non-profit Agency in the State providing services, training, and support exclusively to Vermonters who are blind or visually impaired. The skills training they receive enables them to achieve and maintain independence.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Assoc for Blind and Visually Impaired

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Assoc for Blind and Visually Impaired	0	24,885	24,447	24,447	24,447
	0	24,885	24,447	24,447	24,447
TOTAL					
FUND TYPE		24,885	24,447	24,447	24,447
General Fund		24,885	24,447	24,447	24,447
TOTAL					

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Assoc for Blind and Visually Impaired

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	24,885	24,447	24,447	24,447
TOTAL	24,885	24,447	24,447	24,447
FUND TYPE				
General Fund	24,885	24,447	24,447	24,447
TOTAL	24,885	24,447	24,447	24,447

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training**

Department Mission Statement

MISSION:

In partnership with others, the Department of Employment and Training provides individuals with services, information and support to obtain and keep good jobs and provides employers with services, information and support to recruit and maintain a productive workforce.

PRIMARY OBJECTIVES:

- * To provide income security for Vermont workers, and economic stability for Vermont through the Unemployment Insurance Program;
- * To develop and maintain world class employment service and job training programs accessible to all Vermonter job seekers and employers via PC, phone, and regional One-Stop Career Resource Centers;
- * To collect and publish comprehensive and highly useful labor market information centering on Vermont economic activity;
- * To work in close alliance with the Human Resources Investment Council (HRIC) and its regional Workforce Investment Boards (WIBs) in partnership with public and private employers to build the most effective work force development system with special attention to disadvantaged populations and youth.

Description of Appropriations, Divisions, & Programs

DET is well positioned to address the challenges of Vermont's economy because its unemployment insurance system is effective and rests on a healthy Trust Fund and its comprehensive labor exchange capacity is melded with a broad array of training options. The "One-Stop" concept for employment and training services is also serving Vermont's employers well by providing many approaches in the effort to establish a skilled workforce. Apprenticeship, federally funded Job Training programs, Workforce Education & Training Fund, Veteran's employment programs, federal tax credits, Unemployment Insurance protection, and access to TANF resources are all critical tools used by DET Staff to help individuals become skilled workers for Vermont employers. DET, in partnership with many diverse service providers, has been very successful in helping many Vermonters. Special emphasis has been placed on the transition from welfare to work. In the past year, the department served more than 31,000 new job seekers and over 3,900 employers through its Career Resource Centers. DET helps to enhance the job specific skills of approximately 1,500 youth and adults annually through a variety of job and classroom training programs and offers special employment services to veterans. In addition, DET processed 48,000 Initial Unemployment Compensation claims and paid 400,000 continued claims through its UI Call Center.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training

All Vermonters are provided access to a comprehensive array of self-help and staff assisted training services through a network of 12 strategically located one-stop career resource centers statewide. The one-stop Career Resource Centers offer core services that include a variety of job training programs for the economically disadvantaged, youth and dislocated workers, a comprehensive automated labor exchange system, and re-employment services for unemployment program claimants. In addition, and in close coordination with the provision of its core services, the Career Resource Centers offer user-friendly labor market and occupational information, employment counseling and comprehensive testing and assessment services. DET employer relations' consultants work in partnership with Vermont's employers to streamline employee recruitment and directly assist them in developing skilled workers. DET and its partners form a key workforce support and development system for Vermont.

MAJOR DEPARTMENTAL ACTIVITIES:

- * Administration of all Employment Service Activities
- * Administration of the Unemployment Insurance Program
- * Administration of the Workforce Investment Act
- * Administration of Trade Adjustment, NAFTA, and Veterans Programs
- * Administration of Programs related to the Bureau of Labor Statistics
- * Administration of the State Registered Apprenticeship Program
- * Administration of the Work Experience, Education, and Employment for Vermonters Program
- * Administration of the Workforce Education and Training Fund
- * Administration of the Vermont High Skills Technology Grant
- * Administration (with Vocational Rehabilitation) of the Vermont Work Incentive Grant
- * Administration of two High Skill Training Grants to address the Information Technology and Health Care needs of the state.

CUSTOMER ACCESS:

- * Through twelve (12) One-Stop Career Resource Centers statewide
- * By phone access to job listings and labor market information
- * By PC access to job listings and labor market information
- * Via the Internet to DET services; labor market and occupational information; a resume directory; and local, regional, and national job listings through DET's Homepage on the World Wide Web with links to:
 - * America's Job Bank/America's Workforce Network
 - * Phone access for all claims for Unemployment Insurance benefits
 - * School to work opportunities and funding
 - * The U.S. Bureau of Labor Statistics
 - * Vermont Educational Institutions
 - * Vermont Student Assistance Corporation (educational and financial aid information)
 - * Vermont Talent Bank
 - * Training brokerage for employers and individuals

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training**

* Other Federal and State agencies.

GOALS/OBJECTIVES BEYOND THOSE LISTED IN MISSION STATEMENT:

- To continue to develop ways by which to realize cost efficiencies while maintaining comprehensive automated and personalized services to all Vermonters;
- To help employers meet their human resource needs by providing comprehensive automated labor exchange services, comprehensive labor market information, and a training brokering service for their workforce;
- To enhance and maintain a viable workforce through job training programs and job placement activities designed to assist economically disadvantaged youth and adults, people with disabilities, dislocated workers, ex-offenders, veterans and the elderly. These activities require close working relationships with employers, community-based organizations, schools, and other state agencies;
- To coordinate with the Vermont Agency of Commerce and Community Development in activities that relate to business expansions and closures, and to meet the training needs relating to existing and prospective employees;
- To work closely with the Department of Education regarding youth and adult vocational and essential skills education, and the on-going integration of school to career activities in K-12 curricula; and the Agency of Human Services to train and provide a full array of reemployment services to low income Vermonters with special attention to offenders and ex-offenders;
- To work collaboratively with the Department of Prevention, Assistance, Transition and Health Access (PATH) to provide training and job placement services to TANF recipients participating in welfare reform activities;
- To coordinate services with the Vermont Student Assistance Corporation to assure DET customers have access to educational and financial aid counseling at the one-stop Career Resource Centers;
- To provide career counseling and assessment, job information, and job search activities to Community College of Vermont students through our one-stop Career Resource Centers;
- To assure the one-stop Career Resource Centers are handicapped accessible and provide extensive services to individuals with disabilities through a close working relationship with the Department of Vocational Rehabilitation;
- To continue development and expansion of the Registered Apprenticeship program which meets the needs of employers and workers by developing the skills necessary for a high-wage, high-skills work force;

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training

- To continue to support innovative incumbent worker skills training leading to increase wages for Vermont workers through the Workforce Education & Training Fund (WETF).

Appropriation Key Budget Issues

Vermont and the Nation are experiencing a slow economic recovery. During the next year Vermont will likely see a combination of relatively high unemployment and continued skill shortages. The impact of the recession will be longer as job growth is usually slow to respond after a downturn. In 2002, the number of individuals filing claims for unemployment insurance has grown by 34%. The underlying economic and labor market forces such as globalization, advancing technology and the pressures of the recession will continue to place a premium on higher skilled workers. All of these forces combine to create a greater demand for the department's unemployment insurance, employment and training services.

The national recession has not caused the Federal government to rethink its position toward funding employment and training services. The trend of lower funding continues. Continued State funding for the Registered Apprenticeship Program and the Workforce Education and Training Fund is critical as both these programs address directly the need for improving the skills of the Vermont workforce.

The Human Resource Investment Council (HRIC) and its regional Workforce Investment Boards (WIBs) are playing an increasingly significant role in workforce development in Vermont. Under the leadership of the HRIC, the WIBs have developed important workforce development plans for each of their twelve regions. They are also playing a major role in the renewal of the technical education centers across the state. The HRIC provides the single forum where all the public sector organizations and educational institutions involved in workforce development, in partnership with a majority membership of private employers, lead and coordinate workforce development for the state.

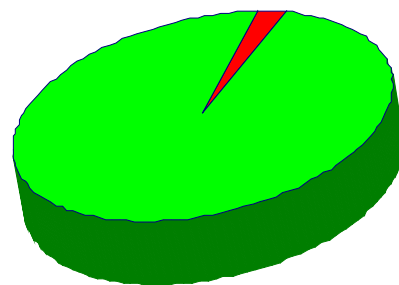
The Department of Employment and Training, being a leader in Human Resources Investment Council (HRIC) activities, is deeply committed to Vermont's workforce education and training system. As technology continues to improve and new working relationships with public and private sector entities grow, the department will aggressively adopt new tools and methodologies to advance the employment potential for all Vermonters. To this end, DET's One-stop Career Resource Centers have emerged as the hub of work force development services at the local level in Vermont. This role has been enhanced dramatically with the passage of the Workforce Investment Act, State funding of the Workforce Education and Training Fund, and the receipt of several federal Department of Labor training grants. During the next year, the department, working in collaboration with nine other states, will implement an internet-based job matching and case management system known as America's Job Link. This new system will give Vermont workers and employers greater access to employment and training services and will give the department and its in-state partners a means to more efficiently assist workers into the labor market.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Employment and Training	341	25,949,921	27,210,865	27,211,109	28,633,221
Apprenticeship	6	0	636,115	636,924	726,713
TOTAL	347	25,949,921	27,846,980	27,848,033	29,359,934
FUND TYPE					
General Fund		538,436	653,367	654,420	1,172,259
Special Fund		130,000	144,257	144,257	160,000
Federal Revenue Fund		22,727,038	24,098,356	24,098,356	25,063,952
Interdepartmental Transfer		2,554,447	2,951,000	2,951,000	2,963,723
TOTAL		25,949,921	27,846,980	27,848,033	29,359,934

■	Apprenticeship (2.48%)
■	Employment and Training (97.52%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Employment and Training

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	19,239,312	17,215,728	17,215,972	21,309,877
Operating Expenses	4,448,113	6,511,137	6,511,137	4,727,257
Grants	2,262,496	3,484,000	3,484,000	2,596,087
<hr/> TOTAL	<hr/> 25,949,921	<hr/> 27,210,865	<hr/> 27,211,109	<hr/> 28,633,221
FUND TYPE				
General Fund	538,436	151,509	151,753	590,546
Special Fund	130,000	10,000	10,000	15,000
Federal Revenue Fund	22,727,038	24,098,356	24,098,356	25,063,952
Interdepartmental Transfer	2,554,447	2,951,000	2,951,000	2,963,723
<hr/> TOTAL	<hr/> 25,949,921	<hr/> 27,210,865	<hr/> 27,211,109	<hr/> 28,633,221

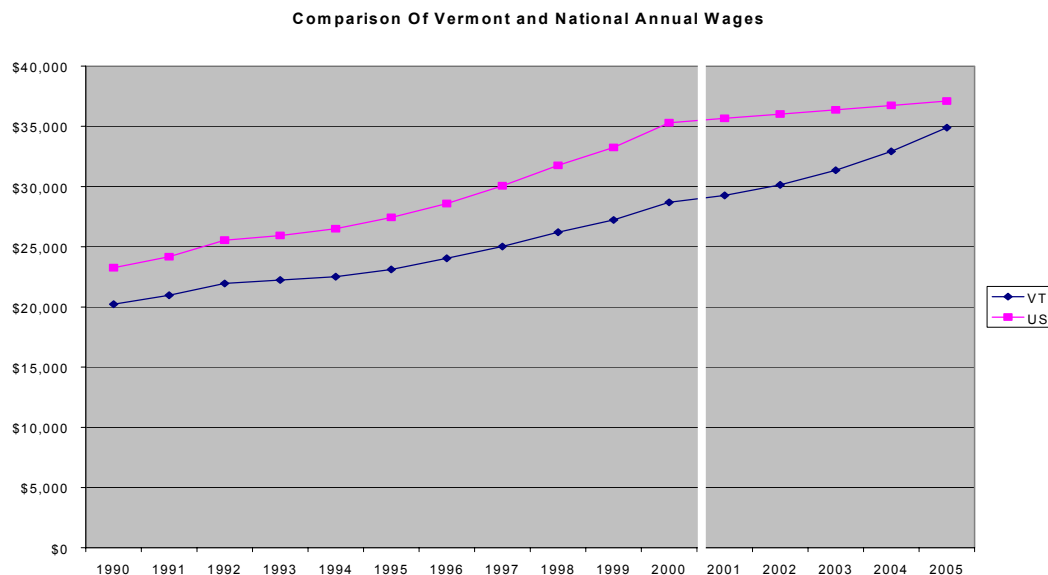
**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Apprenticeship**

Performance Program Information

**FY04 Budget
Department of Employment & Training**

Results: Vermonters will have the financial capacity to participate fully in every aspect (familial, civic, cultural, social, economic) of life in their communities, state and nation.

Key Indicator: Vermont's average wage will equal the U.S. average wage.



Story Behind Baseline Performance:

Historically, Vermont wages have lagged behind U.S. wages, and the trend for the past ten years has been a gradual but steady increase in this gap. While the apprenticeship program cannot by itself bring Vermont's wages up to the average for the U.S., it plays a significant role in the development of a highly skilled and well paid workforce that in turn will contribute to reversing this trend.

When the Department of Employment and Training took over the Apprenticeship Program in July of 1996, there were no management information systems in place to provide the type of information that would allow us to measure the impact of apprenticeship on wages. We have developed a comprehensive system that allows us to track apprentices through every phase of participation, including wage information following completion of the program. For calendar year 2001, the wages of apprentices in

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Apprenticeship

the Plumbing and Electrical trades, in the first year after completion, exceeded average wages of all Vermonters by 6.7 percent. It should be noted that wage records for this population demonstrate that wages increased steadily, often dramatically, with each quarter. We believe that the wage difference after five or more years of experience will be much more significant. By increasing the number of individuals who complete the traditional trade apprenticeship programs, and adding programs in new occupations, we will achieve the numbers of skilled, credentialed workers who will favorably impact the wage trends for Vermont and “bend the curve” in a positive direction.

Strategy: Enhancement and expansion of the Vermont Registered Apprenticeship Program.

In order to accomplish our goal of expanding and improving the apprenticeship program, we will build on the initiatives that we’ve implemented over the past four years to improve the Plumbing and Electrical apprenticeship program, and will explore development of new programs in Welding, Auto Service Technology, and Health Care. In 2002 the first Vermont IT apprenticeship was implemented at IDX, with seven dislocated workers in the first phase. Partnerships with Vermont Technical College (VTC), and the regional Technical Centers continue to be crucial in improving the instruction component of the Plumbing and Electrical programs. VTC now administers delivery of instruction, providing curriculum development, as well as support and professional development of more than forty instructors statewide. The Electrical program had been approved for 13 college credits, and the Plumbing curriculum was approved in April 2002 for the same credit consideration. This heightens the respect for skilled trade training and moves licensed trades persons toward matriculation for formal post-secondary degrees. As we implement additional programs, new partnerships in the educational sector are certain to be created.

Other partners include the employer sponsors, the State Apprenticeship Council, the Federal Bureau of Apprenticeship and Training, business associations such as the Vermont Independent Electrical Contractors’ Association, and the dedicated apprenticeship instructors who all contribute to ensuring that programs have high standards, and that training, both classroom and on-the-job, is current and relevant.

Strategy – Next Two Years

Our efforts in the next two years will be concentrated on expanding apprenticeships in Information Technology and carpentry, as well as initiating new programs in the traditional trades such as welding, automotive technology, and heavy equipment operation. We’ll continue efforts to expand participation of women in all of the apprenticeship programs. Northern New England Tradeswomen will continue to partner with us in that effort.

An important element of our future strategy will be a comprehensive educational initiative focused on parents, educators, young people, and the general public to increase awareness of the opportunities for high wage careers available in the skilled trades. A no-cost educational initiative will include utilizing DET’s Career Resource Center (CRC) staff and our CRC partners working statewide in the schools to promote apprenticeship and the trades as high skilled, high wage careers. Other marketing efforts will be

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Apprenticeship

developed as well.

An important facet of our strategy to improve the education component of apprenticeship is the maintenance of our pool of dedicated and experienced instructors. This is already a costly part of the program, and will become more costly in the next year as we address the issue of competitive compensation, while maintaining the professional development and support components recently introduced. A no-cost strategy in keeping instructors will be to increase the flexibility of delivering instruction according to a schedule that may better fit instructor availability, such as team teaching, or Saturday classes.

Long Range Strategy:

A final strategy, whose cost is undetermined, is to develop alternative methods of delivering related instruction. The rural nature of Vermont, combined with instances of insufficient numbers to justify a class, require us to create options other than traditional classes. Distance learning via computer accessed web-based programs and/or delivery via Vermont Interactive Television are two alternatives that will be explored over the next two to five years.

Performance Measures Summary Table:

Performance Measures	Actual FY01	Actual FY02	Target FY03	Target FY04
Measure #1 – Participants in VT Registered Apprenticeship Program	982	1036	1140	1175
Measure #2 – Wages of PI & EI apprentices in year following completion as percentage of wages of all US workers ages 25-34 having a high school education.	130%	131%	132%	132%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Apprenticeship

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	372,598	373,407	512,351
Operating Expenses	0	108,237	108,237	54,362
Grants	0	155,280	155,280	160,000
<hr/> TOTAL	<hr/> 0	<hr/> 636,115	<hr/> 636,924	<hr/> 726,713
FUND TYPE				
General Fund	0	501,858	502,667	581,713
Special Fund	0	134,257	134,257	145,000
<hr/> TOTAL	<hr/> 0	<hr/> 636,115	<hr/> 636,924	<hr/> 726,713

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education

Department Mission Statement

The Department of Education guides and supports the educational system, with the goal that every Vermont student becomes a competent, caring, creative, productive, and responsible citizen committed to continued learning throughout life. The Department works as a partner with organizations, and supports students and families, educational leaders, and federal, state and local decision-makers, to ensure that every student receives an equal educational opportunity. To achieve this goal, the Department focuses on enabling students to:

- Enter school ready and eager to learn,
- Meet or exceed rigorous academic standards in a safe and civil school environment,
- Acquire skills to make informed, positive choices about their health and safety, and the well being of others, and to participate effectively in a democratic society, and
- Apply learning beyond high school

Description of Appropriations, Divisions, & Programs

Finance and Administration: Provides information technology, business and financial management, human resources, school district accounting, medicaid and special education administration and accounting, legal support and complaint investigation, and public relations and legislative support.

Standards and Assessment: Responsible for accountability requirements of Act 60, federal Title I and IDEA, technical assistance to identified schools, and continued improvement of accountability systems. Areas include school improvement, accountability, data research and development, and standards and learning opportunities.

Education Quality: Responsible for educator and school quality including curriculum and instruction, school construction, home and independent study, professional development and licensing, leadership development and educational technology. Responsible for strengthening schools' ability to provide a safe, civil, and orderly learning environment including safe schools, child nutrition, highway and drivers education, substance abuse and prevention and coordinated school health. Responsible for providing services to students with disabilities or who are otherwise disadvantaged as required by Acts 230, 157, and 117. Responsible for overseeing early education and preschool programs. Responsible for integrating adult education programs and strengthening student experiences through career development and community-based learning, improving curricula and assessment in adult education programs, and integrating high academic and industry standards into technical education programs.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education

Tobacco: Tobacco Use Prevention funds administered by the Department of Education awarded directly to schools to conduct research-based tobacco prevention programs.

Act 117: Responsible for strengthening regular education capacity to better meet the needs of all students outside of special education programs, addressing staff shortages in special education instruction and special education administration, developing a consistent approach to decision-making regarding special education eligibility, and enhancing prevention and intervention in the areas of early literacy and emotional and behavioral skills problems.

Adult Basic Education: Funding for the four community nonprofit organizations which deliver the statewide adult basic education program distributed through a county needs-based formula.

Small Schools Grant: Grant to assist small schools with high per pupil fixed costs. Available to schools with enrollment of less than 100 students or less than 20 students per grade.

Special Education Formula: State share of special education funding including a block grant, reimbursement for extraordinary expenses, and intensive reimbursement.

State Placed Students: Reimbursement to LEA's for non mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

Capital Debt Service Aid: Formula grants to eligible school districts for principal and interest on capital construction projects.

Transportation: Funds used for formula reimbursement for a portion of school transportation expenses.

Education Grant: General state support grant awarded to school districts based on the number of equalized pupils.

Local Share Property Tax: Funds provided on a formula basis to partially reimburse school districts for spending above the general state support grant.

Civic Education: Funds to assist schools to participate in the national Civic Education Program about the history and philosophy of the US Constitution and the Bill of Rights.

Fiscal Review Panel: Appropriation for the panel constituted under Act 71 to review spending patterns and the delivery of special education services, cost control mechanisms, and special education data collection and reporting.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education

Appropriation Key Budget Issues

The FY 2004 budget proposal reduces the department's general fund budget \$1,108,733 below its rescinded FY 2003 amount. The department will be able to perform its critical functions at this level, but in order to achieve this reduction several beneficial programs have been scaled back or eliminated. This will be done against a setting of new federal legislation, the No Child Left Behind Act, which increases demands on department resources.

In the Standards and Assessment area, the portfolio scoring program has been eliminated saving \$200,000 in general fund. This program validated and calibrated student portfolios used as part of the state's local assessment initiative. The department will use available federal funds to continue the program one more year, but there will no longer be a continuing funding source and it will likely be discontinued in the future.

In the Education Quality area two programs partially supporting educational programs to adults in technical centers have been eliminated. Some of these services might be picked up through working with the state college system. Fees charged adults participating in these programs might have to be raised to make up a portion of the lost funding.

The Teacher Quality Initiative, a program that supports teachers in gaining their National Board Certification has been reduced. This reduction will cap the support for this program at its current level and will eliminate all support for additional teachers wishing to acquire this certification.

Smaller, but important programs have also been eliminated. These include general fund grants to the Success by Six program, the Vermont Center for the Book, and the Fiscal Review Panel. Currently, two positions will be eliminated but we are still searching for ways to find other funding sources that will allow to keep them.

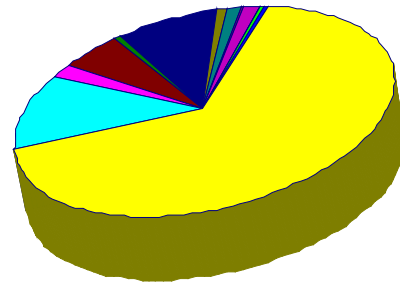
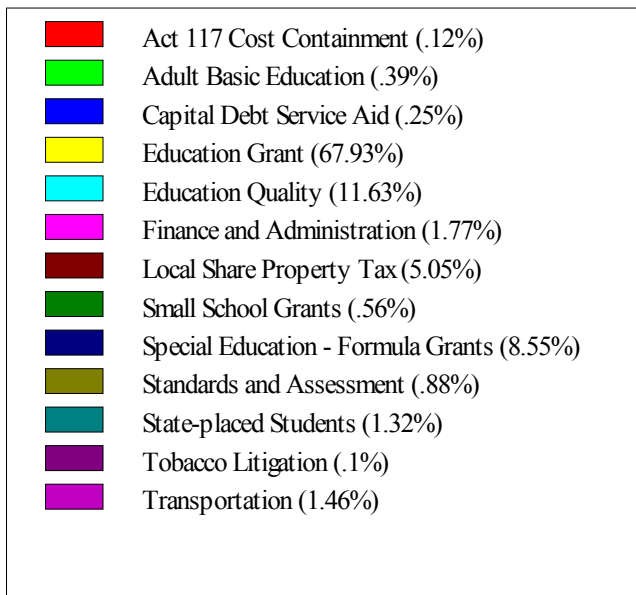
The budget also assumes the FY 2004 predicted yield, uses an allocation of \$28.8 million instead of the \$36 million allocation given in section 198(b) of the Fiscal Year 2003 Appropriation Act. The Administration believes the lesser amount is appropriate given the status of the state's revenue projections.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Finance and Administration	55	14,630,029	15,262,398	15,475,627	15,691,285
Standards and Assessment	24	4,345,598	4,830,636	8,069,906	7,784,771
Education Quality	109	91,309,443	100,607,687	103,947,004	103,236,462
Special Education - Formula Grants	0	63,783,329	69,750,914	69,947,591	75,946,783
State-placed Students	0	9,423,892	11,234,600	11,234,600	11,727,886
Adult Basic Education	0	3,342,075	3,690,310	3,490,310	3,490,310
Education Grant	0	594,069,373	601,200,000	601,361,001	603,211,269
Transportation	0	12,214,956	12,727,961	12,727,969	12,957,790
Small School Grants	0	4,510,139	4,760,660	4,759,310	4,951,087
Capital Debt Service Aid	0	3,457,198	3,161,935	3,077,734	2,196,938
Local Share Property Tax	0	39,000,983	42,200,000	38,988,514	44,852,064
Fiscal Review Panel	0	45,924	40,000	46,397	0
Civic Education	0	20,047	0	5,635	0
Tobacco Litigation	4	922,123	879,482	882,318	878,980
Act 117 Cost Containment	19	1,084,887	1,185,116	1,176,860	1,054,186
TOTAL	211	842,159,996	871,531,699	875,190,776	887,979,811
FUND TYPE					
General Fund		14,542,959	13,649,327	14,095,958	12,806,192
Transportation Fund		664,168	642,080	643,006	648,155
Education Fund		734,000,252	752,985,145	750,045,794	764,051,641
Special Fund		1,696,694	2,367,806	2,348,294	2,517,774
Federal Revenue Fund		89,670,571	100,425,046	94,163,073	93,891,391
Interdepartmental Transfer		1,585,352	1,462,295	13,894,651	14,064,658
TOTAL		842,159,996	871,531,699	875,190,776	887,979,811

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,997,563	3,061,987	3,423,263	3,536,944
Operating Expenses	382,010	1,100,411	1,052,364	1,154,341
Grants	11,250,456	11,100,000	11,000,000	11,000,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	14,630,029	15,262,398	15,475,627	15,691,285
 FUND TYPE				
General Fund	2,466,379	2,859,481	2,975,878	2,965,226
Special Fund	12,676	12,292	19,656	19,943
Federal Revenue Fund	12,150,974	12,390,625	1,068,122	1,239,618
Interdepartmental Transfer	0	0	11,411,971	11,466,498
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	14,630,029	15,262,398	15,475,627	15,691,285

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Standards and Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	3,452,092	2,940,603	5,464,383	5,686,306
Operating Expenses	468,686	684,937	625,485	625,485
Grants	424,820	1,205,096	1,980,038	1,472,980
<hr/> TOTAL	<hr/> 4,345,598	<hr/> 4,830,636	<hr/> 8,069,906	<hr/> 7,784,771
FUND TYPE				
General Fund	3,173,529	2,383,168	2,394,930	2,191,114
Special Fund	5,122	44,672	34,000	34,000
Federal Revenue Fund	1,166,947	2,402,796	5,520,976	5,439,879
Interdepartmental Transfer	0	0	120,000	119,778
<hr/> TOTAL	<hr/> 4,345,598	<hr/> 4,830,636	<hr/> 8,069,906	<hr/> 7,784,771

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education Quality

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	5,775,333	6,152,125	6,593,581	6,853,846
Operating Expenses	1,460,656	2,158,264	1,923,725	1,755,270
Grants	84,073,454	92,297,298	95,429,698	94,627,346
<hr/> TOTAL	<hr/> 91,309,443	<hr/> 100,607,687	<hr/> 103,947,004	<hr/> 103,236,462
FUND TYPE				
General Fund	6,259,754	5,749,279	5,819,144	5,032,453
Transportation Fund	664,168	642,080	643,006	648,155
Education Fund	7,540,382	7,949,075	7,949,075	8,207,824
Special Fund	756,773	1,431,360	1,412,320	1,584,851
Federal Revenue Fund	74,503,014	83,573,598	86,701,064	86,338,983
Interdepartmental Transfer	1,585,352	1,262,295	1,422,395	1,424,196
<hr/> TOTAL	<hr/> 91,309,443	<hr/> 100,607,687	<hr/> 103,947,004	<hr/> 103,236,462

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	63,783,329	69,750,914	69,947,591	75,946,783
TOTAL	63,783,329	69,750,914	69,947,591	75,946,783
FUND TYPE				
Education Fund	63,783,329	69,750,914	69,947,591	75,946,783
TOTAL	63,783,329	69,750,914	69,947,591	75,946,783

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	9,423,892	11,234,600	11,234,600	11,727,886
<hr/> TOTAL	<hr/> 9,423,892	<hr/> 11,234,600	<hr/> 11,234,600	<hr/> 11,727,886
FUND TYPE				
Education Fund	9,423,892	11,234,600	11,234,600	11,727,886
<hr/> TOTAL	<hr/> 9,423,892	<hr/> 11,234,600	<hr/> 11,234,600	<hr/> 11,727,886

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Adult Basic Education

Performance Program Information

FY04 Performance Management Budget - Department of Education

Adult Education & Literacy

Estimated Need:²

- ❖ 70,000 low skilled Vermont adults (ages 16-64) need Adult Education & Literacy services
 - 38,000 never completed high school
 - 32,000 have a diploma but lack essential skills
- ❖ 1 in 5 Vermont workers lack the skills to
 - write a business letter
 - gather data from sources
 - use & interpret data
 - infer meaning from text
 - do multiple step calculations
 - contrast 2 points of view

Results:

Adult Education & Literacy provides critically important learning opportunities to adults who lack the essential skills³ to accomplish their goals as learners, workers, citizens, and family members. Our work assists adults to:

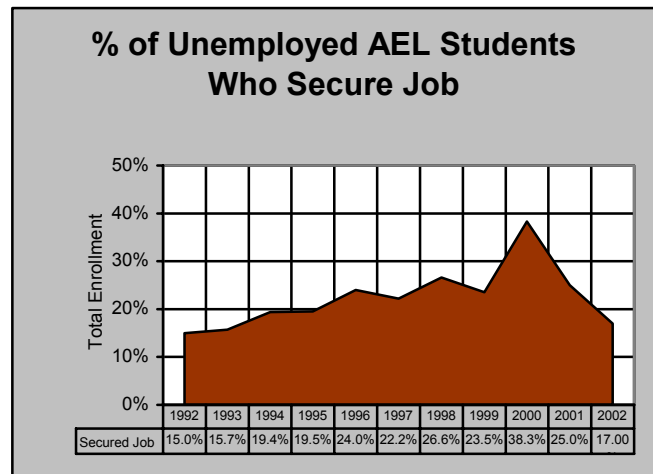
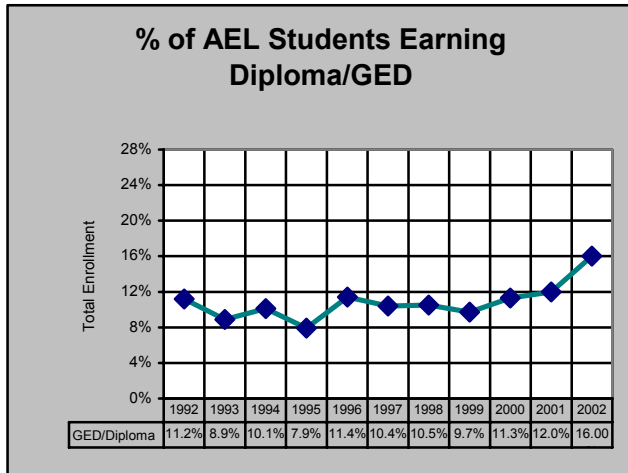
- ❖ Gain essential skills
- ❖ Achieve their high school diploma or GED.
- ❖ Secure and retain livable wage jobs.
- ❖ Improve the well being of their families.
- ❖ Participate in and contribute to their communities.

² Calculated from Census 2000 and National Adult Literacy Survey data.

³ Our definition of essential skills incorporates Equipped for the Future and the Vermont Framework's Vital Results.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Adult Basic Education

Key Indicators:



Performance Measures:	Actual FY01	Actual FY02	Target FY03	Target FY04
1. # adults served	4,587	5,015	5,000	4,500
2. # students who earned diploma/GED	567	812	1,200	1,400
3. # students completing entry education level	472	607	1,000	1,000
4. # students who secured employment	361	284	350	400
5. % of students achieving own learning goals	40%	37%	45%	60%
6. % of students 50+ hours of instruction	12%	13%	18%	25%
7. % of students with pre/post assessments	15%	22%	30%	32%
8. teacher/student ratio	1:54	1:58	1:58	1:51
9. average expenditure per student	\$691	\$741	\$738	\$782

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Adult Basic Education

Strategy: How can Adult Education & Literacy accomplish the desired results?

Vermont's Adult Education & Literacy System is undergoing significant reforms. We have been moving from a traditional focus on basic literacy skills (i.e. reading, writing, math) toward a more comprehensive range of 21st century skills (e.g. problem solving, information technology, data interpretation, learning through research, interpersonal). These reforms demand more comprehensive curriculum, new instructional methods, stronger student assessment, greater intensity of instruction, higher student retention, and a stronger infrastructure for service delivery (i.e. instructional materials, facilities, quality teachers, program standards and accountability). We are making progress.

Intensity of Instruction	❖ Skill gains increase as intensity of instruction increases.
Applied Learning	❖ Learners acquire multiple skills when challenged and supported to apply what they learn to real projects relevant to their individual goals.
Standards & Assessment	❖ Learning increases when learners understand what they are learning and can assess their own progress.
Student Support Services	❖ Learners can more fully participate in Adult Education when support services reduce obstacles.
AE Infrastructure	❖ Learners need quality teachers and access to resources, facilities, and equipment to maximize learning.

FY04 Budget

- ❖ Adult Education & Literacy is funded with state monies (70%) and federal monies (30%).
- ❖ Proposed FY04 budget is level funding of the state appropriation at \$2,617,399.

FY04 Key Budget Issues

- ❖ Every dollar in the Adult Education & Literacy state appropriation is expended for services to students who lack essential skills to function as workers, citizens, and family members.
- ❖ Budget increases to Adult Education & Literacy over the last decade averaged about 3% annually. This minimal growth has not kept pace with rising costs of such fixed expenses as salaries, health care, facilities.
- ❖ Expending less than \$800 per student annually, makes it difficult to provide the learning opportunities adults need to achieve the substantive skill gains that can significantly improve their lives. Progress on major reforms to Adult Education & Literacy are difficult with limited funding.
- ❖ Vermont pays high socioeconomic costs when 20% of its adult population lacks essential skills. The largest portion of criminal offenders lack a high school diploma. Health care costs are significantly higher for persons with limited education. Taxable incomes are lower and welfare dependence is higher for persons with limited education. A greater number of children fail in school when parents have a limited education. An investment in Adult Education & Literacy is an investment in Vermont's future. It costs more not to invest in Adult Education & Literacy.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Adult Basic Education

- ❖ Interagency coordination of Adult Education & Literacy funding and services could strengthen Vermont's efforts. The Department of Education, the Department of Corrections, the Department of Prevention, Assistance, Transition and Health Access, the Department of Employment & Training, and others expend funds for adult education services. Improved integration of this funding could create a stronger and more unified system of services for adult learners.
- ❖ Vermont needs to explore ways to establish Adult Education & Literacy as a part of the public education system that provides all low skilled adults with consistent and equitable access to opportunities to complete their high school education.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Adult Basic Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	3,342,075	3,690,310	3,490,310	3,490,310
<hr/> TOTAL	<hr/> 3,342,075	<hr/> 3,690,310	<hr/> 3,490,310	<hr/> 3,490,310
FUND TYPE				
General Fund	2,482,399	2,617,399	2,617,399	2,617,399
Federal Revenue Fund	859,676	872,911	872,911	872,911
Interdepartmental Transfer	0	200,000	0	0
<hr/> TOTAL	<hr/> 3,342,075	<hr/> 3,690,310	<hr/> 3,490,310	<hr/> 3,490,310

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	594,069,373	601,200,000	601,361,001	603,211,269
<hr/> TOTAL	<hr/> 594,069,373	<hr/> 601,200,000	<hr/> 601,361,001	<hr/> 603,211,269
FUND TYPE				
Education Fund	594,069,373	601,200,000	601,361,001	603,211,269
<hr/> TOTAL	<hr/> 594,069,373	<hr/> 601,200,000	<hr/> 601,361,001	<hr/> 603,211,269

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transportation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	12,214,956	12,727,961	12,727,969	12,957,790
TOTAL	12,214,956	12,727,961	12,727,969	12,957,790
FUND TYPE				
Education Fund	12,214,956	12,727,961	12,727,969	12,957,790
TOTAL	12,214,956	12,727,961	12,727,969	12,957,790

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,510,139	4,760,660	4,759,310	4,951,087
<hr/> TOTAL	<hr/> 4,510,139	<hr/> 4,760,660	<hr/> 4,759,310	<hr/> 4,951,087
FUND TYPE				
Education Fund	4,510,139	4,760,660	4,759,310	4,951,087
<hr/> TOTAL	<hr/> 4,510,139	<hr/> 4,760,660	<hr/> 4,759,310	<hr/> 4,951,087

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Capital Debt Service Aid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	3,457,198	3,161,935	3,077,734	2,196,938
<hr/> TOTAL	<hr/> 3,457,198	<hr/> 3,161,935	<hr/> 3,077,734	<hr/> 2,196,938
FUND TYPE				
Education Fund	3,457,198	3,161,935	3,077,734	2,196,938
<hr/> TOTAL	<hr/> 3,457,198	<hr/> 3,161,935	<hr/> 3,077,734	<hr/> 2,196,938

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Local Share Property Tax

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	39,000,983	42,200,000	38,988,514	44,852,064
TOTAL	39,000,983	42,200,000	38,988,514	44,852,064
FUND TYPE				
Education Fund	39,000,983	42,200,000	38,988,514	44,852,064
TOTAL	39,000,983	42,200,000	38,988,514	44,852,064

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fiscal Review Panel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	838	0	0	0
Operating Expenses	5,086	13,935	13,935	0
Grants	40,000	26,065	32,462	0
<hr/> TOTAL	<hr/> 45,924	<hr/> 40,000	<hr/> 46,397	<hr/> 0
FUND TYPE				
General Fund	45,924	40,000	46,397	0
<hr/> TOTAL	<hr/> 45,924	<hr/> 40,000	<hr/> 46,397	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Civic Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	6,317	0	5,635	0
Operating Expenses	4,885	0	0	0
Grants	8,845	0	0	0
<hr/> TOTAL	<hr/> 20,047	<hr/> 0	<hr/> 5,635	<hr/> 0
FUND TYPE				
General Fund	20,047	0	5,635	0
<hr/> TOTAL	<hr/> 20,047	<hr/> 0	<hr/> 5,635	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	190,716	156,615	159,451	159,089
Operating Expenses	34,709	26,937	26,937	23,961
Grants	696,698	695,930	695,930	695,930
<hr/> TOTAL	<hr/> 922,123	<hr/> 879,482	<hr/> 882,318	<hr/> 878,980
FUND TYPE				
Special Fund	922,123	879,482	882,318	878,980
<hr/> TOTAL	<hr/> 922,123	<hr/> 879,482	<hr/> 882,318	<hr/> 878,980

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Act 117 Cost Containment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	926,731	1,091,325	1,038,994	931,143
Operating Expenses	110,108	28,791	72,866	58,043
Grants	48,048	65,000	65,000	65,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	1,084,887	1,185,116	1,176,860	1,054,186
 FUND TYPE				
General Fund	94,927	0	236,575	0
Federal Revenue Fund	989,960	1,185,116	0	0
Interdepartmental Transfer	0	0	940,285	1,054,186
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	1,084,887	1,185,116	1,176,860	1,054,186

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	245,705,935	245,905,935	239,495,935
TOTAL	0	245,705,935	245,905,935	239,495,935
FUND TYPE				
General Fund	0	245,705,935	245,905,935	239,495,935
TOTAL	0	245,705,935	245,905,935	239,495,935

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

Department Mission Statement

The State Teachers' Retirement System of Vermont is the uniform public pension plan covering all public school teachers and administrators in the state. It was created in 1947 and is now governed by Title 16, V.S.A., Chapter 55. It has undergone significant changes over the years, with the most recent being the implementation of a non-contributory group with major benefit reforms as provided by Act No 41 of 1981, and a significant change in a return to a mandatory contributory system as of July 1, 1990.

The system consists of approximately 10,257 active members, 513 vested terminated members and approximately 3,991 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The market value of the fund was about \$1,066 million as of June 30, 2002, compared with about \$1,139 million as of June 30, 2001. The system paid \$46.8 million in retirement benefits during fiscal year 2002.

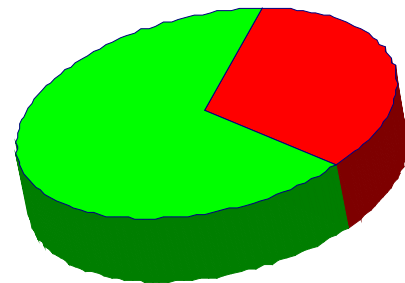
A Retirement Board of Trustees is responsible for the administration of the system. The Board consists of the State Treasurer, Commissioner of Education, Commissioner of Banking, Insurance, Securities and Health Care Administration, two active members elected by the membership, and one retired teacher appointed by the Vermont Retired Teachers' Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the State Employees' and Municipal Retirement Systems.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Teachers' Retirement System - Grant	0	20,446,282	30,653,682	30,653,682	20,446,282
State Teachers' Retirement System	0	10,158,228	0	0	10,207,400
TOTAL	0	30,604,510	30,653,682	30,653,682	30,653,682
FUND TYPE					
General Fund		20,446,282	20,446,282	20,446,282	20,446,282
Special Fund		0	10,207,400	10,207,400	0
Pension Trust Fund		10,158,228	0	0	10,207,400
TOTAL		30,604,510	30,653,682	30,653,682	30,653,682

■	State Teachers' Retirement System (33.3%)
■	Teachers' Retirement System - Grant (66.7%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	10,037,726	10,037,726	20,446,282
Operating Expenses	0	169,674	169,674	0
Grants	20,446,282	20,446,282	20,446,282	0
<hr/> TOTAL	<hr/> 20,446,282	<hr/> 30,653,682	<hr/> 30,653,682	<hr/> 20,446,282
 FUND TYPE				
General Fund	20,446,282	20,446,282	20,446,282	20,446,282
Special Fund	0	10,207,400	10,207,400	0
<hr/> TOTAL	<hr/> 20,446,282	<hr/> 30,653,682	<hr/> 30,653,682	<hr/> 20,446,282

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	9,575,577	0	0	9,441,697
Operating Expenses	582,651	0	0	765,703
<hr/> TOTAL	<hr/> 10,158,228	<hr/> 0	<hr/> 0	<hr/> 10,207,400
FUND TYPE				
Pension Trust Fund	10,158,228	0	0	10,207,400
<hr/> TOTAL	<hr/> 10,158,228	<hr/> 0	<hr/> 0	<hr/> 10,207,400

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

Department Mission Statement

As a result of Act 60 of 1997, municipalities receive financial assistance from the state to support the collection of education tax revenue. All municipalities receives \$7 per grand list parcel per year to help with the cost of reappraisals and maintenance of their grand lists. This program is administered by the Property Valuation and Review Division within the Tax Department.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Reappraisal and Listing Payments	0	2,249,730	2,240,000	2,240,000	2,240,000
TOTAL	0	2,249,730	2,240,000	2,240,000	2,240,000
FUND TYPE					
Education Fund		2,249,730	2,240,000	2,240,000	2,240,000
TOTAL		2,249,730	2,240,000	2,240,000	2,240,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	2,249,730	2,240,000	2,240,000	2,240,000
TOTAL	2,249,730	2,240,000	2,240,000	2,240,000
FUND TYPE				
Education Fund	2,249,730	2,240,000	2,240,000	2,240,000
TOTAL	2,249,730	2,240,000	2,240,000	2,240,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
University of Vermont

Department Mission Statement

The University of Vermont's mission is to create, interpret, and share knowledge, to prepare our students to lead productive, responsible, and creative lives, and to promote the application of relevant knowledge to benefit the State of Vermont and society as a whole.

Chartered in 1791, the same year that Vermont became the fourteenth state in the Union, the University of Vermont was established as the fifth college in New England. It became the state's land-grant institution in 1865, when it was merged with the Vermont Agricultural College that had been formed one year earlier in accord with provisions of the Morrill Act.

In 1955, the General Assembly recognized the University of Vermont and State Agricultural College "as an instrumentality of the State for providing public higher education." Previous to that recognition Vermont had annually appropriated funds specifically to the College of Medicine and to the Agricultural Services and had appropriated tuition scholarship funds for Vermont residents in certain fields of study. Beginning in 1956, new funding subsidizing the cost of educating Vermont students was added to the appropriations going to the College of Medicine and Agricultural Services. Therefore, in 1956 the university established an in-state tuition rate that was less than the single 1955 rate that had been charged to both in-state and out-of-state students. The statutory requirement is that in-state tuition cannot exceed 40% of the out-of-state tuition rate.

Description of Appropriations, Divisions, & Programs

The University of Vermont is comprised of eight separate undergraduate colleges and schools (the College of Agriculture and Life Sciences, the College of Arts and Science, the College of Education and Social Services, the College of Engineering and Mathematics, the School of Business, the School of Nursing, the School of Allied Health Sciences, the School of Natural Resources), a graduate college, a college of medicine, an extension system, and a division of continuing education that operates statewide and nationally. The university offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through research, teaching, and service. This tripartite mission supports a full range of inquiry and application within the university and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
University of Vermont

educational mission of the University of Vermont, are critical for Vermont's well-being in the future.

OUTCOMES/PERFORMANCE

Currently, the purpose of the state appropriation is to:

- Support the College of Medicine's education of medical students, undergraduates, and the medical profession;
- Fund the teaching, research, and public service activities of Extension, the Agricultural Experiment Station, and the related agricultural services; and,
- Subsidize tuition rates for Vermonters, but at a level that does not cover costs.
- While funding the University of Vermont's 3.0% state appropriation increase (just prior to going to press with this budget document, further revenue forecast reductions led the Governor to recommend a 2% increase, not 3%) will allow the university to continue to provide these services to the State of Vermont, certain reductions will still be required. Overall, Vermont's economic future and quality of life is tied directly to the university's ability to function as an economic engine. The University of Vermont is a distinguished, comprehensive research university with a national reputation for quality. The University is a critical driver of economic growth in the State and an important industry in and of itself. The research dollars generated, the businesses created, the newly-educated professionals entering the workforce, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality - especially now.

Higher Education is a Critical Driver of Economic Growth

- Higher education represents 4.3% of Vermont's gross state product, the highest % in the nation.
- University spin-off companies include Bio-Tek Instruments, Ergomedics, Haematologic Technologies, Green Mountain Antibodies, Biomosaics.
- The University of Vermont helps small businesses through practical, research-based support such as the Northeast Dairy Foods Research Center.
- Alumni have established countless small businesses (over 24,000 alumni - 29% of all alums -- reside in Vermont).
- Higher education is a key path to facilitating innovation. According to a recent report by Economic & Policy Resources of Williston, it is anticipated that productivity gains from technological innovation will be the primary contributor to increasing income and rising wealth in the Northwest region of the state over the next two decades.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
University of Vermont

The University is a Substantial Vermont Industry

- The University of Vermont employs over 3,200 employees with a total payroll of over \$150 million, making it one of the largest employers in the State.
- Over \$240 million comes into the State of Vermont from out-of-state grants, contracts, appropriations, tuition, fees, room, board, discretionary spending, private giving, and visitors. These numbers do not include the effects of the taxes, new business development, community service, etc., that is part of the economic impact equation.
- Research enterprise is thriving. Total sponsored programs awards to the University of Vermont for FY 2001 rose to \$87 million, a 17 percent jump from FY 2000 and an all-time record.
- The University spends almost \$55 million annually in supplies, materials, equipment, acquisition, and maintenance.
- University employees spent \$91 million in the local economy, students spent almost \$48 million, and visitors added another \$5.6 million.

The competition for high quality students is fierce. The University's tuition remains the highest in the nation for public institutions and, over the last decade, applications have declined significantly. In order to remain competitive, the University must make additional strategic investments to:

- Nurture and promote a reputation for academic excellence
- Recruit and retain high quality faculty and staff
- Construct and maintain excellent facilities
- Invest in state-of-the art technology
- Provide adequate financial aid for students who need it

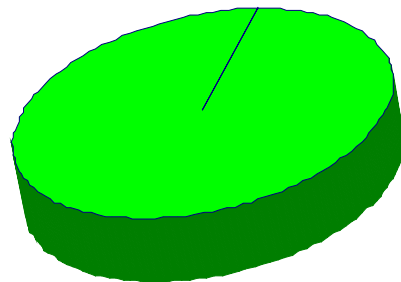
These investments will allow the University of Vermont to maintain its position as a distinguished institution of higher learning, critical to the long-term economic security and overall vitality of Vermont. The University's plan to improve its competitive position involves strategic cost reductions and garnering additional resources from multiple sources including private giving and sponsored research. Increased State investment is another key source of support and will be critical to our success.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
University of Vermont	0	34,182,130	36,197,999	36,197,999	36,922,057
UVM - Morgan Horse Farm	0	0	4,912	4,912	4,912
<hr/> TOTAL	<hr/> 0	<hr/> 34,182,130	<hr/> 36,202,911	<hr/> 36,202,911	<hr/> 36,926,969
 FUND TYPE					
General Fund		34,182,130	36,202,911	36,202,911	36,926,969
<hr/> TOTAL		<hr/> 34,182,130	<hr/> 36,202,911	<hr/> 36,202,911	<hr/> 36,926,969

■	UVM - Morgan Horse Farm (.01%)
■	University of Vermont (99.99%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
University of Vermont

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	34,182,130	36,197,999	36,197,999	36,922,057
TOTAL	34,182,130	36,197,999	36,197,999	36,922,057
FUND TYPE				
General Fund	34,182,130	36,197,999	36,197,999	36,922,057
TOTAL	34,182,130	36,197,999	36,197,999	36,922,057

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	4,912	4,912	4,912
TOTAL	0	4,912	4,912	4,912
FUND TYPE				
General Fund	0	4,912	4,912	4,912
TOTAL	0	4,912	4,912	4,912

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Public Television**

Department Mission Statement

Vermont Public Television's core mission is to enrich Vermonters' lives, through broadcasting, new technologies and community outreach, with quality local and national programs and services, free from commercial influence, that educate and promote culture and citizenship.

Its six channels statewide broadcast a 24-hour schedule for children and adults that includes PBS programs and local productions such as "Vermont This Week," "Report From Montpelier," "Rural Free Delivery," "Points North," documentaries on the state's history and explorations of its culture in "Profile," "VPT's Outdoor Journal" and other programs.

Thanks to a combination of state and federal funding, VPT has begun its mandated conversion to digital broadcasting, which will offer a wealth of new programming and services free to Vermonters.

Appropriation Key Budget Issues

The 1996 state funding cuts to VPT resulted in a series of long-term financial ills. Although there has been great progress since then in efforts to restore financial health, thanks in part to the gradually increasing state operating appropriations since 1997. The organization would still have been several years away from stability even if good economic times had continued.

Unfortunately, there is negative revenue news for VPT from many sides now:

- A shortfall in viewer contributions after the terrorist attacks of September 11
- The rescission of state funds
- The economic downturn that limits charitable giving by viewers and businesses
- Lost revenues from tenants of mountaintop sites from companies that have either gone out of business or relocated to other sites

VPT has stepped up fundraising efforts and, like all agencies that receive state funding, has made a number of mid-year spending reductions in an attempt to adjust. Like state government, VPT has implemented a hiring freeze. Vacant positions of director of engineering and administrative assistant to the president are unfilled. Most overtime pay will be suspended and travel restricted.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Public Television	0	604,136	593,507	593,507	563,832
TOTAL	0	604,136	593,507	593,507	563,832
FUND TYPE					
General Fund		604,136	593,507	593,507	563,832
TOTAL		604,136	593,507	593,507	563,832

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Public Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	604,136	593,507	593,507	563,832
TOTAL	604,136	593,507	593,507	563,832
FUND TYPE				
General Fund	604,136	593,507	593,507	563,832
TOTAL	604,136	593,507	593,507	563,832

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Colleges

Department Mission Statement

For the benefit of Vermont, the Vermont State Colleges provide affordable, high quality, student centered and accessible education, fully integrating professional, liberal, and career study.

This integrated education, in conjunction with applied learning experiences, assures that graduates of VSC programs will:

1. Demonstrate competence in communication, research and critical thinking,
2. Practice creative problem-solving, both individually and collaboratively,
3. Be engaged, effective, and responsible citizens,
4. Bring to the workplace appropriate skills and an appreciation of work quality and ethics,
5. Embrace the necessity and joy of lifelong learning.

The Vermont State Colleges also offer numerous opportunities for others to engage in continuous learning to meet their specific goals.

Description of Appropriations, Divisions, & Programs

The **Vermont State Colleges (VSC)** is a public corporation formed in 1961 by Legislative action, combining the campuses and programs of Castleton State College (CSC), Johnson State College (JSC), Lyndon State College (LSC), and Vermont Technical College (VTC). In 1970-71 VSC assumed the programs and operations of the newly established Community College of Vermont (CCV), which has no campus in lieu of providing delivery of education at twelve leased sites around the state. Overseeing the VSC System is a single 15-member Board, comprised of nine Governor-appointed Trustees serving 6-year terms, four legislatively-elected Trustees serving 4-year terms, one student-elected Trustee serving a 1-year term, and the Governor.

Further overseen by the VSC Board but separately tracked within the VSC's State operating appropriation is **Practical Nursing**, which the State transferred from the Vermont Department of Education beginning FY1995. The Practical Nursing program is key to helping meet Vermont's critical shortage of trained nurses, and educates students at its Thompson School in Brattleboro, Putnam School in Bennington, and Fanny Allen School in Colchester, as well as the VTC campus in Randolph Center.

Yet another addition to VSC Board oversight that is also separately tracked within the VSC's State operating appropriation is **Vermont Manufacturing Extension Center (VMEC)**, which the State transferred from the Vermont Department of Economic Development beginning FY2002. VMEC offices are based centrally within the State on the VTC campus, while its outreach services assist business evolution and success of Vermont manufacturers situated throughout the State.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Colleges

In fact activities of the VSC extend far beyond the five colleges, Practical Nursing, and VMEC plus separately appropriated Vermont Interactive Television--to include endeavors of the Vermont Small Business Development Center, customized business & industry programs, student apprenticeships, workforce training delivered to major employers including IBM, Husky, General Dynamics, IDX, Central Vermont Hospital, as well as National Life, and more. All tolled the VSC addresses an extensive range of Vermont needs through over 50 different sites Statewide, with every Vermonter being within 25 miles or less from some VSC location. An appreciable indicator of VSC impact upon Vermont is that during the past year VSC services benefited around 115,000 Vermonters, or nearly one out of every five residents of the State. Furthermore as the fifth largest employer in Vermont the VSC including all its ancillary programs provides around 2,000 jobs for Vermonters, whose employment contributes greatly to the economy in communities across the State.

Specific to higher education, colleges within the VSC last year enrolled a record number of 10,336 students of which fully 82% are Vermonters--the latter derived from the fact nearly half of all Vermont residents attending college in state do so at one of the VSC institutions. Additionally notable is the sizable portion of VSC students who are first generation in their families to go to college, though regrettable is that the majority of all VSC students require some extent of financial aid to afford VSC's highest in the nation public college tuitions and fees. Finally more than half of those in the VSC are considered "non-traditional" students aged 22 or older, with many of these adult learners pursuing college education while maintaining full-time jobs to support their families.

The range of academic services within the VSC includes credit and non-credit bearing, on-site as well as distance learning, remedial coursework, certificate training, plus associates, bachelors, and masters degree programs. Consistent with its mission the VSC does strive to provide professional and career-oriented education supported by an appropriate foundation in the liberal arts. Examples of the many VSC offerings contributing to meaningful employment are teacher education, criminal justice, social work, nursing and allied health care, communications, meteorology, computer information systems, accounting, business management, hospitality and tourism management, construction management, engineering technology, agricultural technology, veterinary technology, and biotechnology.

During the forty years since VSC came into being the proportion of State funding for the System's general operating budget has consistently declined, from originally around two-thirds down to just under 55% in 1980 and less than one-third presently. One outcome of this is that the VSC's current 31% of general operating budget support from the State compares with 51% for like institutions across the nation and 45% for other public higher education systems in New England. Current national studies indicate that over the past two decades proportion of State funding support for public higher education in Vermont (VSC, UVM, & VSAC) declined more than any other state in the country--nearly a -38% reduction vs. the national average of under -18%. Today State support for public higher education in Vermont ranks 49th for the nation at \$4.84 per \$1,000 of individual disposal income, this being -44% below the national average of \$8.58 and -34% below Florida's \$7.35 which ranks 40th in the nation.

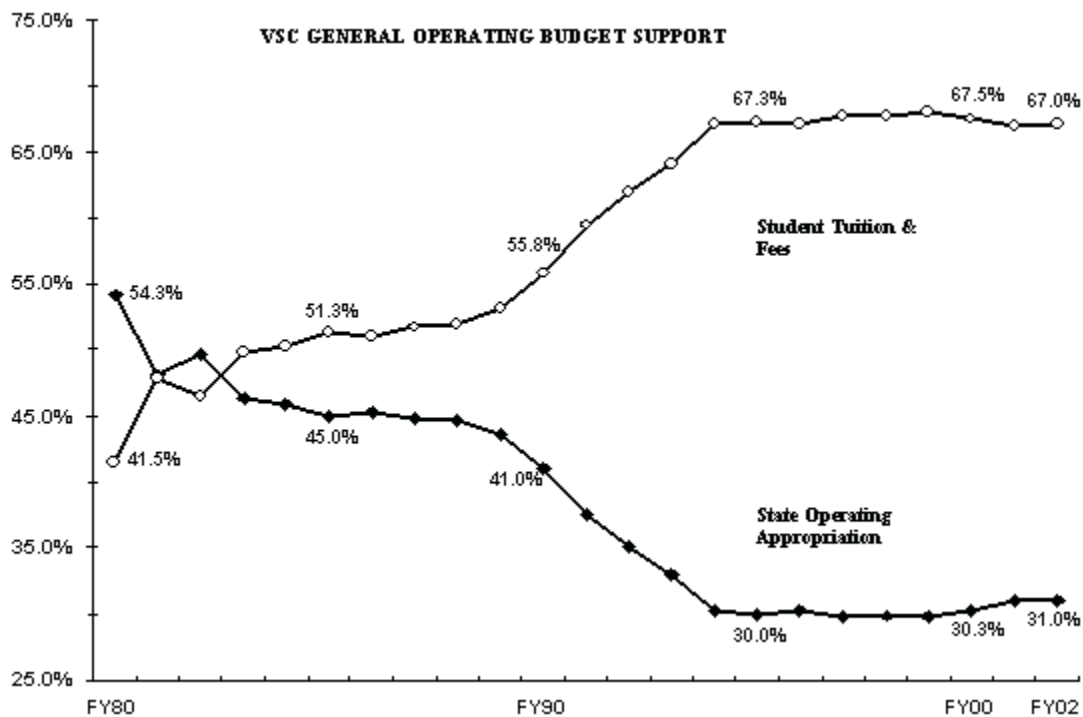
To help offset reduced State support the VSC has made concerted efforts toward cost containment, and

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Colleges**

over the last decade increases in VSC's budgeted expenditures per student averaged -25% below annual CPI inflation. Consequently by FY2001 VSC per student expenditures at \$7,938 were -45% below the \$14,441 average of all other public higher education systems in New England, though this can be more negative than positive as it poses constant challenge to the VSC in maintaining the quality of education needed to prepare students for good jobs in 21st century Vermont and elsewhere.

Thankfully cost containment along with enrollment growth has enabled the VSC's annual tuition rate increases to, since the early 1990's, average among the lowest for public colleges in the northeast, and last year's rate hikes for the VSC were the lowest in nearly a quarter century. Still Vermont's smallest in the nation State support perpetuates the VSC's highest in the nation tuitions and fee--contributing directly to some VSC graduates being harnessed with student loan indebtedness approaching \$20,000.

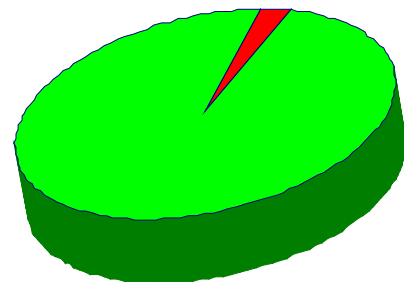
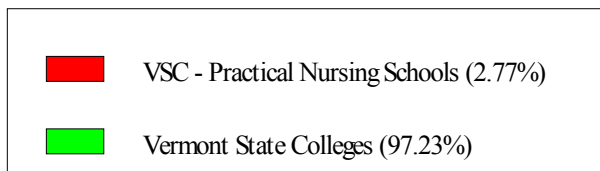
Following is graphically illustrated that in the early 1980's VSC support from the State was around the same as from students, then starting about 1990 the State portion plunged such that since the mid-1990's less than 1/3 State funding has burdened students with funding over 2/3 of VSC operating support. For perspective, today's VSC support from student tuitions and fees at 67% compares with 27% for like institutions across the country and 45% for other public higher education systems in New England.



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont State Colleges	0	19,498,628	20,769,755	20,769,755	21,185,150
VSC - Practical Nursing Schools	0	578,232	592,206	592,206	604,050
<hr/> TOTAL	<hr/> 0	<hr/> 20,076,860	<hr/> 21,361,961	<hr/> 21,361,961	<hr/> 21,789,200
 FUND TYPE					
General Fund		20,076,860	21,361,961	21,361,961	21,789,200
<hr/> TOTAL		<hr/> 20,076,860	<hr/> 21,361,961	<hr/> 21,361,961	<hr/> 21,789,200



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont State Colleges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	19,498,628	20,769,755	20,769,755	21,185,150
<hr/> TOTAL	<hr/> 19,498,628	<hr/> 20,769,755	<hr/> 20,769,755	<hr/> 21,185,150
FUND TYPE				
General Fund	19,498,628	20,769,755	20,769,755	21,185,150
<hr/> TOTAL	<hr/> 19,498,628	<hr/> 20,769,755	<hr/> 20,769,755	<hr/> 21,185,150

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
VSC - Practical Nursing Schools**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	578,232	592,206	592,206	604,050
TOTAL	578,232	592,206	592,206	604,050
FUND TYPE				
General Fund	578,232	592,206	592,206	604,050
TOTAL	578,232	592,206	592,206	604,050

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Department Mission Statement

Vermont Interactive Television's mission is to support the economic health and development of the state and its citizens by providing the technical infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state. In addition VIT provides worldwide videoconferencing that is part of the economic development infrastructure supporting Vermont business. Policies for development and use of the network will be based on the fundamental principle that VIT should serve the education, training, and information needs of Vermont's people, communities, and workplaces. Decisions on network expansion and program offerings will be based on significant impact, while decisions on allocation of network time will be based on the following programming priorities:

- 1) Courses that are part of established degree or certificate programs,
- 2) Training and skill-building courses designed to improve quality of the Vermont workforce,
- 3) Courses or programs supporting continuing education needs of various professions in the state,
- 4) Training and information programs necessary for effective functioning of government agencies, non-profit organizations, and business.

Description of Appropriations, Divisions, & Programs

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont", recommending that:

- o an integrated video, voice, and data telecommunications network be developed to meet the needs of education, government, and business; and
- o the telecommunications system be accessible within 25 miles of 90 percent of all Vermonters.

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of organizations to provide education, training, and information to people in all areas of the state. VIT currently operates 14 sites in Vermont (Bennington, Brattleboro, Canaan, Castleton, Colchester, Johnson, Lyndonville, Middlebury, Newport, Randolph Center, Rutland, Springfield, St. Albans, & Waterbury), and in addition to statewide services offers worldwide videoconferencing from all sites. VIT also has satellite downlinking capabilities at several sites, a direct connection to UVM's Distance Learning Network, a working relationship with K-12 Vermont Interactive Learning Network, and consulting services.

In the past year, VIT worked cooperatively with the Vermont State Colleges to further improve or establish distance learning facilities at all the residential colleges. These enhancements now make it

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Interactive Television

possible for the VSC to more effectively pursue its mission of delivering education and training statewide. However coupled with an increase in projected use by many other major VIT users, current capacity of VIT is pushed to the limits. Thus have been established **VIT strategic priorities** as follow:

- a) Pursue initiatives related to new sites, move designated current sites, seek new increase in capacity and connection options
- b) Work with VSC and UVM to maximize usage, quality, and satisfaction
- c) Work collaboratively with Vermont Interactive Learning Network
- d) Strengthen and maintain strategic alliances
- e) Implement Corrections Consulting Contract
- f) Maintain technical excellence of the VIT system, and complete major technical upgrade to the system
- g) Maintain and improve operational excellence and financial stability
- h) Develop a marketing and public relations plan to further all strategic goals

VIT continues to serve a broad cross-section of Vermont's institutions and organizations, including higher education, K-12, non-profits, State agencies, and businesses. Programs range in content from public hearings to workforce training, to graduate programs, to updates on State and federal legislation and regulations for State employees, to international videoconferencing. The following figures provide some dimension to evolving use of VIT over the last thirteen years:

Total online hours - 146,000

Total participants (turnstile count) - 250,000

Total number of organizations using VIT during past year - 550

Funding and Governance Partnership

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff are employees of the Vermont State Colleges. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council--an eight-member group comprised of representatives from education, government, and business that meets on a monthly basis.

Federal funding approximating \$1.5 million over four years was provided to VIT through the U.S. Department of Agriculture, as a match to State capital appropriation for new sites and development of technical infrastructure. Federal funding was also used to partially cover operational expenses during the period of FY1992 - FY1996, and a grant from the U.S. Department of Commerce in 1998 funded VIT efforts to explore ways Vermont organizations involved in distance learning and telemedicine could productively work together.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Community funding: All VIT sites are hosted without charge by an institution or business in each VIT community. This in-kind contribution is valued annually at \$350,000 and is critical to VIT's ongoing operations.

Specialized grants and private sector contributions have made it possible for VIT to acquire the equipment necessary to provide closed-captioning services, to upgrade its scheduling and invoicing hardware and software, and to support the relocation of sites in Caledonia and Windham Counties.

Sales and services make up the final component of VIT funding. For FY2003 VIT expects to bring in an estimated \$342,000 in participant fees, derived from rates charged to clients to use the system as well as from consulting services.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Interactive Television	0	840,507	836,775	836,775	795,331
<hr/> TOTAL	<hr/> 0	<hr/> 840,507	<hr/> 836,775	<hr/> 836,775	<hr/> 795,331
FUND TYPE					
General Fund		840,507	836,775	836,775	795,331
<hr/> TOTAL		<hr/> 840,507	<hr/> 836,775	<hr/> 836,775	<hr/> 795,331

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	840,507	836,775	836,775	795,331
TOTAL	840,507	836,775	836,775	795,331
FUND TYPE				
General Fund	840,507	836,775	836,775	795,331
TOTAL	840,507	836,775	836,775	795,331

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Department Mission Statement

VSAC was created by the Legislature in 1965 as a public nonprofit corporation with an eleven member board of directors; its mission is to ensure that all Vermonters have the necessary financial and informational resources to pursue their postsecondary goals. To achieve this mission, VSAC provides the following: (1) career planning services, (2) information on financial aid and postsecondary educational programs, and (3) financial aid in the form of grants, loans, scholarships, savings plans and work opportunities for qualified Vermonters. VSAC is unique in that it provides "one-stop" delivery of postsecondary financial aid and counseling. VSAC acts as the financial aid office for ten Vermont postsecondary institutions and provides complete service of student loans, from origination through repayment. VSAC continues to support welfare initiatives, including the Postsecondary Education Program administered through PATH as well as vocational education for Reach Up participants.

Description of Appropriations, Divisions, & Programs

Grant Program Descriptions

One hundred percent of the Vermont State appropriation goes to Vermont students based on financial need. The grant programs include the Incentive Grants for full-time students, the Part-time Grants for students taking fewer than 12 credits per semester, Non-Degree Grants for students taking up to three individual courses to improve employability and Student Employment Grants for students in rural areas without employment options.

Vermont Incentive Grants

Incentive Grants are the major source of need-based grant assistance to full-time Vermont students. They are available to residents who attend an approved post-high school degree program and have not already received a bachelor's degree. Vermont residents enrolled at the University of Vermont College of Medicine or an approved school of veterinary medicine are also eligible.

FULL-TIME GRANT PROGRAM:	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	Change: FY91-FY01	
												#	%
Number of Applicants	13,316	13,800	14,556	14,826	15,613	15,740	15,704	16,055	16,216	16,260	15,843	2,527	19.0%
Number of Recipients	8,006	8,360	8,989	8,869	8,837	9,449	9,421	9,312	9,411	9,078	8,919	913	11.4%
Amount Awarded	\$9,284,153	\$10,120,087	\$9,950,016	\$9,496,797	\$10,469,699	\$10,583,802	\$9,964,276	\$10,891,823	\$11,440,129	\$12,379,526	\$12,928,055	3,643,902	39.2%
Average Grant	\$1,160	\$1,211	\$1,107	\$1,071	\$1,185	\$1,120	\$1,058	\$1,170	\$1,216	\$1,364	\$1,449	290	25.0%

Vermont Non-Degree Grants

Non-Degree Grants are available to students for courses that will improve employability or encourage further study. These grants are used for a wide variety of courses at a wide variety of institutions including technical centers. Many students begin a course of study by using a Non-Degree Grant and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

then become matriculating students. This particular grant is unique to Vermont, and is particularly useful for non-traditional students.

The Non-Degree Grant was created by the Legislature in 1983; Act 95 established the purpose of the grant as "assisting unemployed Vermonters seeking retraining in courses not leading to a degree, certificate, or diploma." In 1987, the appropriations act included the following language: "Funds are included in the above appropriation for the purpose of providing information services and grant aid to needy Vermonters seeking to improve their employment skills by enrolling in a course or program not necessarily leading to a degree, certificate, or diploma." The goal of the Non-Degree Grant has remained helping individuals get, keep, or improve their jobs.

NON-DEGREE GRANT PROGRAM:	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	Change: FY91-FY01	
												#	%
Number of Applicants	1,937	2,179	2,278	2,489	1,779	2,109	2,115	2,230	1,872	1,679	1,803	-134	-6.9%
Number of Recipients	1,205	1,251	1,292	1,444	1,042	1,263	1,278	1,333	1,041	936	1,045	-160	-13.3%
Amount Awarded	\$362,697	\$364,812	\$395,379	\$452,305	\$345,289	\$431,692	\$457,081	\$501,493	\$419,480	\$412,143	\$643,815	281,118	77.5%
Average Grant	\$301	\$292	\$306	\$313	\$331	\$342	\$358	\$376	\$403	\$440	\$616	315	104.7%

Vermont Part-Time Grants

Part-Time Grants are available to degree students taking fewer than 12 credits per semester. Many working Vermonters receive part-time grants.

PART-TIME GRANT PROGRAM:	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	Change: FY91-FY01	
												#	%
Number of Applicants	3,185	3,817	4,404	4,771	4,814	5,110	4,873	4,935	4,718	4,593	4,509	1,324	41.6%
Number of Recipients	1,814	2,172	2,671	2,658	2,607	2,864	2,747	2,646	2,600	2,364	2,323	509	21.9%
Amount Awarded	\$685,758	\$765,211	\$887,178	\$874,162	\$993,954	\$1,010,575	\$887,358	\$931,459	\$998,494	\$958,392	\$980,780	295,022	30.1%
Average Grant	\$378	\$352	\$332	\$329	\$381	\$353	\$323	\$352	\$384	\$405	\$422	44	10.5%

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vt Student Assistance Corp	0	15,445,766	16,356,671	16,356,671	16,683,804
TOTAL	0	15,445,766	16,356,671	16,356,671	16,683,804
FUND TYPE					
General Fund		15,445,766	16,356,671	16,356,671	16,683,804
TOTAL		15,445,766	16,356,671	16,356,671	16,683,804

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	15,445,766	16,356,671	16,356,671	16,683,804
<hr/> TOTAL	<hr/> 15,445,766	<hr/> 16,356,671	<hr/> 16,356,671	<hr/> 16,683,804
FUND TYPE				
General Fund	15,445,766	16,356,671	16,356,671	16,683,804
<hr/> TOTAL	<hr/> 15,445,766	<hr/> 16,356,671	<hr/> 16,356,671	<hr/> 16,683,804

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

Department Mission Statement

The New England Board of Higher Education (NEBHE), created in 1955, is an interstate educational compact of the New England states authorized by the U.S. Congress and approved by the state legislatures. Two of NEBHE's goals are to promote regional coordination and efficient use of education resources among the six New England states and to strengthen the connection between higher education and economic development in the region. NEBHE also sponsors the Regional Student Program (RSP) that allows New England students to attend public colleges and universities throughout New England at a discounted tuition rate for programs that are not otherwise available in their home state.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
NE Higher Education Compact	0	76,642	75,294	75,294	88,840
TOTAL	0	76,642	75,294	75,294	88,840
FUND TYPE					
General Fund		76,642	75,294	75,294	88,840
TOTAL		76,642	75,294	75,294	88,840

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	76,642	75,294	75,294	88,840
TOTAL	76,642	75,294	75,294	88,840
FUND TYPE				
General Fund	76,642	75,294	75,294	88,840
TOTAL	76,642	75,294	75,294	88,840

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Natural Resources**

Agency Mission Statement

It is the mission of the Agency of Natural Resources to protect, sustain, and enhance Vermont's natural resources for the benefit of this and future generations. To accomplish this mission, the Agency directs its activities to accomplish four, primary goals:

- To promote the sustainable use of Vermont's natural resources
- To protect and improve the health of Vermont's people and ecosystems
- To promote sustainable outdoor recreation
- To operate efficiently and effectively as an agency so that we can fulfill our mission.

Description of Departments in Agency

Department of Fish and Wildlife -- responsible for the conservation and management of the Vermont's fish and wildlife resources and the protection of the state's threatened and endangered species.

Department of Forests, Parks and Recreation - responsible for the conservation and management of Vermont's forest resources, the operation and maintenance of the state park system, and the promotion and support of outdoor recreation for Vermonters and our visitors.

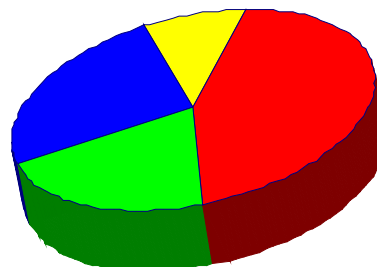
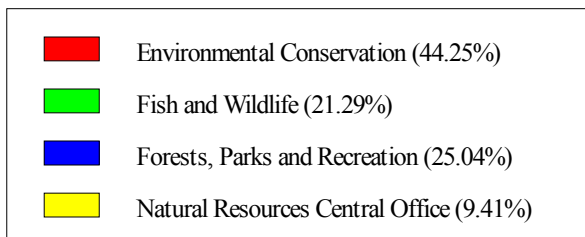
Department of Environmental Conservation - responsible for the conservation and management of the state's natural resources and protection of the public health through various grant, regulatory, technical assistance, and public information and education programs.

Agency Central Office (Administration, Management and Planning)- responsible for leadership and oversight of all agency programs, financial management, personnel management, information system management, legal services, and enforcement of laws and regulations related to agency programs, other than Fish and Wildlife laws and regulations.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Department					
Natural Resources Central Office	40	4,877,940	5,490,939	5,544,831	6,503,070
Fish and Wildlife	130	13,084,935	14,951,634	14,951,634	14,710,160
Forests, Parks and Recreation	123	15,649,793	16,813,799	17,078,552	17,300,238
Environmental Conservation	280	28,456,373	29,117,568	31,184,412	30,573,342
TOTAL	573	62,069,041	66,373,940	68,759,429	69,086,810
FUND TYPE					
General Fund		11,437,318	15,059,275	15,394,601	14,550,331
Transportation Fund		1,409,415	1,111,894	1,117,071	1,119,543
Fish & Wildlife Fund		12,523,335	14,345,207	14,345,207	14,448,040
Special Fund		22,256,408	20,454,212	21,950,538	21,422,739
Federal Revenue Fund		11,422,492	11,837,727	12,329,927	12,842,023
Permanent Trust Fund		0	5,042	5,157	5,000
Interdepartmental Transfer		3,020,073	3,560,583	3,616,928	4,699,134
TOTAL		62,069,041	66,373,940	68,759,429	69,086,810



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office**

Department Mission Statement

It is the mission of the Agency of Natural Resources Central Office to provide both leadership for agency programs and the support that those programs need to accomplish their missions.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are: the Secretary's Office, the Planning Division, the Enforcement Division, the Management Services Division, Human Resources and Regional Office Support.

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency public information and education.

Planning Division - The Planning Division is responsible for development and implementation of the Agency's strategic plan, coordinating the state's regulatory review for the Act 250 process and other state and federal regulatory processes, reviewing and revising Agency policies and procedures, directing and coordinating the Agency's Emergency Response Plan, and supporting the Lake Champlain Basin Program and Connecticut River Watershed Council.

Enforcement Division - The Enforcement Division is responsible for the enforcement of all laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. Division activities include civil and criminal investigations; prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General.

Management Services Division - The Management Services Division is responsible for providing financial management services for the Agency and its departments, preparation and management of the Agency budget, coordination with the Agency of Administration on finance and office operations, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Human Resources - Human Resources provides personnel management services for the entire Agency, including recruiting, training, employee recognition and discipline, classification, employee orientation, employee assistance, performance evaluation, employee records, and coordination with the state Department of Personnel.

Regional Offices - The ANR Central Office appropriation includes funding to support office operations

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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

of the Agency's six regional offices, five of which are shared by staff from the Act 250 program.

The Information Technology Division, is responsible for providing direct information technology services to the Agency Central Office and the Agency /Act 250 regional offices, development and implementation of the Agency's Information Technology Plan, and coordination of office automation tools and innovative information technologies for the entire Agency.

Appropriation Key Budget Issues

The Central Office has reduced expenditures in several areas in order to manage revenue shortfalls and to minimize the reduction in overall effectiveness of program management.

The Central Office has lost several important staff resources. These losses will affect performance. Staff reassignments and reprioritization will be necessary to allow us to address high priority issues such as permit reform, but it is likely that calendar year 2003 will reflect limited progress in the areas where staff have been lost or new staff must learn new responsibilities.

The Central Office budget includes reductions in some pass-through grants, but retains 100% funding to towns for payment in lieu of taxes.

We believe that effective use of information technology is a way to better serve the public and to maximize the effectiveness of line staff to help offset the impact of budget reductions, Agency-wide. Last year the Agency established the Central Office Information Technology (IT) Division as a separate appropriation for our performance-based budget. This year we have fully consolidated supervision of all ANR information technology personal services and included the related expenditures in the IT appropriation. What appears in this budget to be a significant increase in IT expenditures is actually a shifting of existing base costs from the departments to the Central Office and the addition of a federal grant which can only be used for information technology. Agency-wide base expenditures for IT are actually down, somewhat, from FY03; but we believe that the new consolidated organization will provide efficiencies sufficient to overcome the effect of these reductions.

Performance Program Information

Results:

The Central Office provides the leadership and support for the Agency to protect, sustain and enhance Vermont's natural resources. This is accomplished by policy direction, management, administrative services and legal support for the departments of the Agency.

The Central Office focuses on the four comprehensive goals expressed in the strategic plan of the Agency:

- to promote the sustainable use of Vermont's natural resources;

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

- to protect and improve the health of Vermont's people and ecosystems;
- to promote sustainable outdoor recreation;
- to operate efficiently and effectively.

Story behind Baseline Performance:

The Central Office is composed of the Secretary's Office, Management Services Division, Human Resources Division, Planning Division, Enforcement Division, Information Technology Division and Office of the General Counsel. The Secretary's Office provides leadership and policy direction for the Agency, directs the Agency's budget development and oversight, coordinates the Agency's legislative involvement, and implements the priorities of the administration. It coordinates with other state and federal agencies. The other components of the Central Office are responsible for strategic planning, human resources development, information technology and legal services and enforcement. Coordination for the Lake Champlain Basin Program and the Connecticut River Joint Commissions is provided by the Central Office.

The work of the Central Office is carried out through eight programs:

- Leadership (policy development; implementing administration priorities; managing the Agency)
- Management Services (coordination of budget development; payroll and payment processing)
- Communication, Education (Agency publications; media relations)
- Policy and Planning (strategic and operational planning; coordination within agency and with other state and federal agencies)
- Regulatory Review Coordination (coordinate Act 250 review; permit coordination and facilitation for large, complex or controversial projects)
- Legal Services (legal advice and counsel for Agency; coordination of legal services throughout the Agency)
- Enforcement (Enforcement of Agency-managed statutes other than Fish and Wildlife.)
- Information Technology coordinates and directs the Agency's technical infrastructure. This will be described in a separate narrative.

Strategies:

- The Strategic Plan guides decision making, coordination and communication.
- The financial, operational and human resources infrastructure of the Agency will be focused to achieve the strategic priorities and goals of the Agency.
- The work place environment will motivate excellence in performance and retention of a high percentage of employees.
- VISION will be used to develop processes and procedures for budget development, purchasing, accounts payable, inventory and general accounting.
- The Agency will participate in Act 250 cases to implement state policies on natural resources, growth and development.

What high priority undertakings will the Central Office address to improve performance in FY 2004?

- The Human Resources Division will begin work force planning to prepare for significant

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office**

changes in the workforce as incumbents retire.

- We will begin revisions to the strategic plan to define our course for 2006-2010.
- The Central Office will lead and manage the Agency's efforts at permit reform, including policy and regulatory changes.
- Information Technology will coordinate and manage the consolidation of the ANR's technical infrastructure.
- Management Services will continue to implement the VISION program to provide managers with feedback on performance.
- The Agency will refine its Act 250 database and electronic communications to provide more detailed tracking and reporting on Act 250 proceedings to interested parties.

Indicators and Performance Standards

Following are a few of the performance standards and indicators of success for programs of the Central Office.

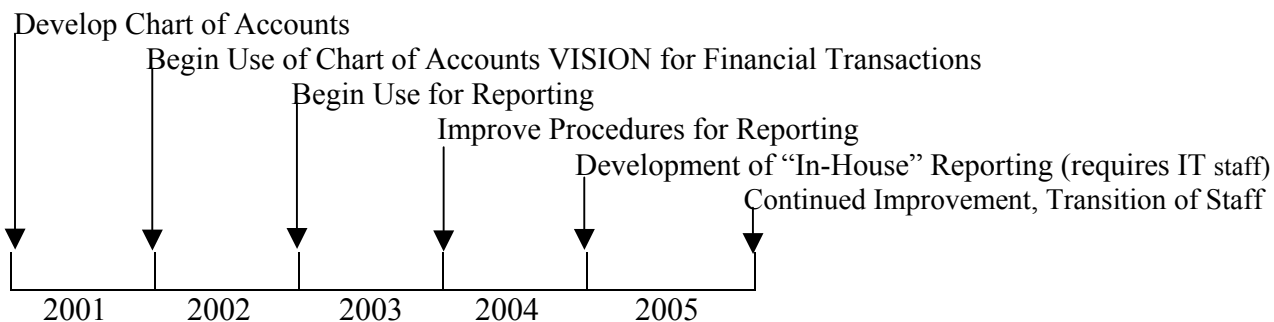
Management Services

- All invoices are paid within three days of receipt.

VISION System Implementation at ANR

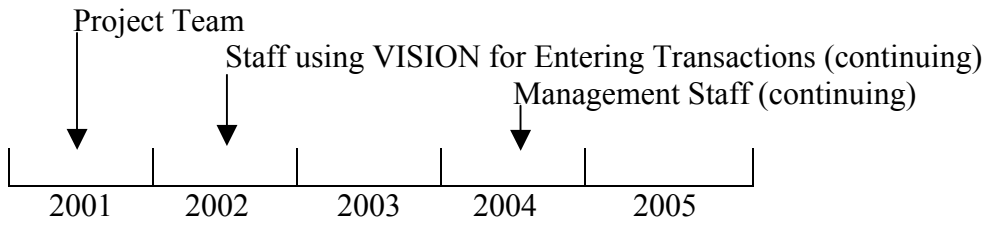
These timelines portray milestones for implementing VISION. These steps address the development of procedures for the new financial management information system, reporting capabilities to be produced by this system, and training of both clerical and management staff on use of the system for management information as well as transactions.

VISION Process and Procedure Development



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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

VISION Training

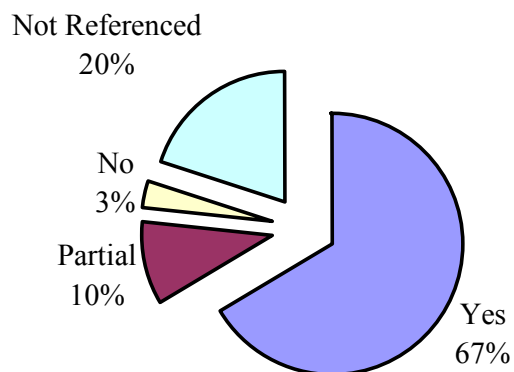
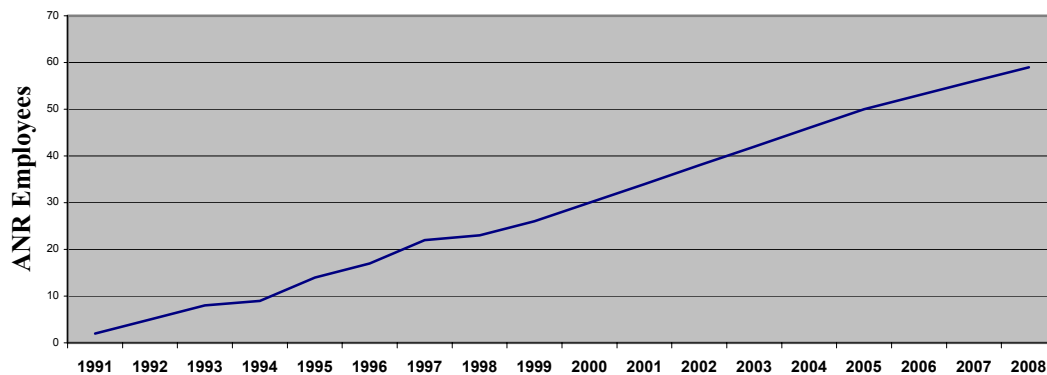


STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Workforce Planning

A significant element of workforce planning is development of leadership and management skills in ANR staff in order to perform at a high level now and to assume greater responsibilities in the future, as current senior staff retire.

**Vermont Agency of Natural Resources Leadership and Management
Program Participants and Graduates**



Act 250 Participation

This graph portrays the effectiveness of the Agency in Act 250 proceedings. For the last five months of 2002, the Agency filed requests for conditions or participated in over 100 Act 250 proceedings. District Commissions either wholly or partially accepted Agency concerns as shown in the pie chart.

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FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

FY2004 Budget and Key Budget Issues

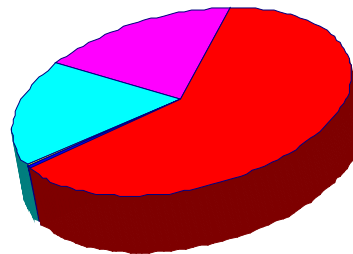
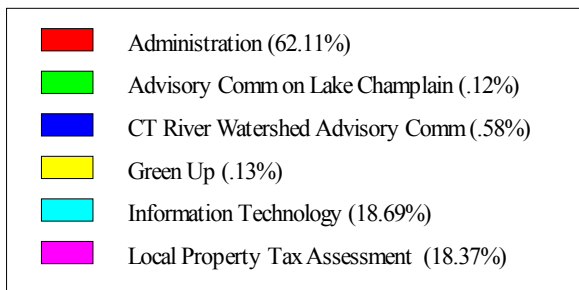
Appropriations: Historically, The ANR Central Office had a single major appropriation covering all programs described here. For FY 2003, the Information Technology program was defined as a prototype performance-based budget and was supported with a separate appropriation. It will continue as a separate appropriation for FY 2004.

The Central Office has lost several important staff resources. Staff reassignments and reprioritization will be necessary to allow us to address high priority issues such as permit reform, but it is likely that calendar year 2003 will reflect limited progress in the areas where staff have been lost or new staff must learn new responsibilities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	37	3,723,337	3,963,922	3,983,639	4,039,047
CT River Watershed Advisory Comm	0	40,500	40,500	40,500	38,000
Advisory Comm on Lake Champlain	0	4,470	10,000	10,000	7,500
Local Property Tax Assessment	0	1,101,083	1,158,590	1,192,765	1,194,315
Green Up	0	8,550	8,550	8,550	8,550
Information Technology	3	0	309,377	309,377	1,215,658
TOTAL	40	4,877,940	5,490,939	5,544,831	6,503,070
FUND TYPE					
General Fund		2,622,798	3,168,825	3,231,267	3,124,869
Transportation Fund		262,754	262,815	262,815	262,815
Special Fund		844,272	819,395	810,845	845,603
Federal Revenue Fund		118,930	108,185	108,185	236,271
Interdepartmental Transfer		1,029,186	1,131,719	1,131,719	2,033,512
TOTAL		4,877,940	5,490,939	5,544,831	6,503,070



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

Description of Appropriations, Divisions, & Programs

The Information Technology Division, is responsible for providing direct information technology services to the Agency Central Office and the Agency /Act 250 regional offices, development and implementation of the Agency's Information Technology Plan, and coordination of office automation tools and innovative information technologies for the entire Agency. For Fiscal Year 2004, Senior Community Service Employment, Rural Community Fire Protection and the Snowmobile Trails Program appropriations have been consolidated into Administration.

Appropriation Key Budget Issues

The IT budget is adequate to maintain existing services but does not include growth to take advantage of innovations in information technology that could improve service. The Agency is considering consolidation of IT functions for the Central Office, Regional Offices and the departments to increase efficiency and improve service.

It is interesting to note that about 60% of the FY 03 operating budget for Central Office IT is related to security issues.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,522,598	2,349,936	2,400,106	2,428,471
Operating Expenses	1,157,907	1,578,986	1,548,533	1,579,076
Grants	42,832	35,000	35,000	31,500
<hr/> TOTAL	<hr/> 3,723,337	<hr/> 3,963,922	<hr/> 3,983,639	<hr/> 4,039,047
FUND TYPE				
General Fund	2,016,499	2,384,095	2,412,362	2,345,894
Special Fund	835,722	810,845	802,295	837,053
Federal Revenue Fund	103,430	92,685	92,685	119,000
Interdepartmental Transfer	767,686	676,297	676,297	737,100
<hr/> TOTAL	<hr/> 3,723,337	<hr/> 3,963,922	<hr/> 3,983,639	<hr/> 4,039,047

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm**

Description of Appropriations, Divisions, & Programs

The Agency's budget includes an appropriation for the Connecticut River Watershed Council, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	40,500	40,500	40,500	38,000
TOTAL	40,500	40,500	40,500	38,000
FUND TYPE				
General Fund	25,000	25,000	25,000	22,500
Federal Revenue Fund	15,500	15,500	15,500	15,500
TOTAL	40,500	40,500	40,500	38,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

Description of Appropriations, Divisions, & Programs

The Agency's budget includes a pass-through appropriation for support of the Lake Champlain Citizen's Advisory Committee, which provides citizen input to the General Assembly, the Lake Champlain Basin Program, and the Agency on issues related to the management and protection of Lake Champlain.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,630	6,015	6,015	4,500
Operating Expenses	1,840	3,985	3,985	3,000
<hr/> TOTAL	<hr/> 4,470	<hr/> 10,000	<hr/> 10,000	<hr/> 7,500
FUND TYPE				
General Fund	4,470	10,000	10,000	7,500
<hr/> TOTAL	<hr/> 4,470	<hr/> 10,000	<hr/> 10,000	<hr/> 7,500

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Local Property Tax Assessment**

Description of Appropriations, Divisions, & Programs

This appropriation is for payment in lieu of property taxes on lands owned by the Agency.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	1,101,083	1,158,590	1,192,765	1,194,315
<u>TOTAL</u>	<u>1,101,083</u>	<u>1,158,590</u>	<u>1,192,765</u>	<u>1,194,315</u>
FUND TYPE				
General Fund	576,829	634,275	668,450	670,000
Transportation Fund	262,754	262,815	262,815	262,815
Interdepartmental Transfer	261,500	261,500	261,500	261,500
<u>TOTAL</u>	<u>1,101,083</u>	<u>1,158,590</u>	<u>1,192,765</u>	<u>1,194,315</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Green Up

Description of Appropriations, Divisions, & Programs

This is the annual appropriation for pass through to the Green Up Day Committee for implementation of the Green Up Day Program. In previous years this appropriation appeared in the Agency of Administration's budget. The funding source for this appropriation, the Solid Waste Management Assistance Fund, has not changed with the transfer of the appropriation to the ANR.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	8,550	8,550	8,550	8,550
TOTAL	8,550	8,550	8,550	8,550
FUND TYPE				
Special Fund	8,550	8,550	8,550	8,550
TOTAL	8,550	8,550	8,550	8,550

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Technology

Description of Appropriations, Divisions, & Programs

The Information Technology Division, is responsible for providing information technology services and support for the entire Agency and the Act 250 regional offices, as well as development and implementation of the Agency's Information Technology Plan.

Performance Program Information

Results

The newly centralized Information Technology Division's mission is to provide information technology leadership, training, support, and coordination for the entire Agency. It's primary outcomes are:

- Serving the public's information needs, at their convenience, for outdoor recreation, natural resource management, and environmental protection.
- Helping the Agency's frontline staff to be more productive.
- Getting the most out of technology through effective user support and training.

The Story Behind Baseline Performance

- Serving the public at their convenience: the IT Division manages the installation, setup, and maintenance of the various Agency web sites. It provides the technical capacity to present all types of environmental information and data in various on-line formats, including text and tables, geographic information system (GIS) maps, and paper document images.
- Making the Agency's frontline staff more productive: the IT Division implements the technical infrastructure supporting over 500 staff in all statewide Agency locations, from the central office to the six regional offices and multiple outposts (fish hatcheries, parks, park maintenance shops) and including mobile users (game wardens, environmental enforcement officers, county foresters).
- Getting the most out of technology: the IT Division maintains an up-to-date inventory of computing equipment that meets state standards and which is operationally compatible. It also provides in-house technology training to Agency staff in the areas ranging from basic computing to the use of specialized software tools.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Technology

Strategies

- Judging from the number of documents and forms accessed on-line, it is clear that the Agency's public website has already saved citizens and staff a great deal of time, money, mileage, paper, and postage. The new Application Development section will focus on redesigning the technical structure as well as the look and feel of our websites in consistent way based upon new State guidelines and standards. New functionality will be added that provides the public with the capability to access Agency services through the Internet.
- The new Network Administration section will continue to consolidate, upgrade, and integrate the Agency's technical infrastructure and systems, in areas such as data communications (network), interpersonal communications (e-mail), information sources (websites), data sources (environmental and GIS databases), document management (e-files and image files), and office productivity (desktop tools).
- The new Technical Support section will increase training opportunities for staff, especially those who use specialized computing tools for GIS analysis, web authoring, and database reporting.

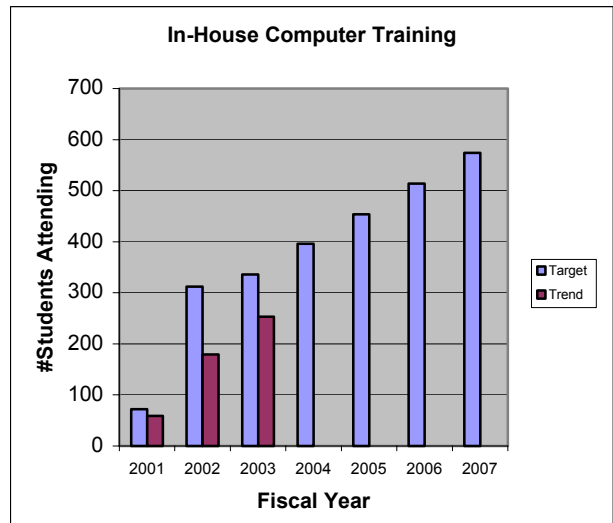
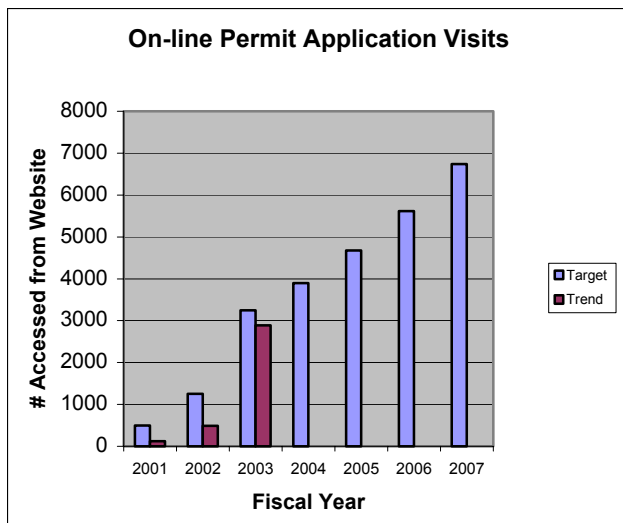
How Will the Program Improve Its Performance?

- The IT Division expects that its additional on-line services capacity will make a significant impact in the important area of permit reform. All permit applications and guidance have already been made available on-line in FY 2003. Automated management of permit information will be implemented in FY 2004, followed by additional capabilities such as on-line fee payments and electronic signatures. These features will further improve all permitting processes in terms of turnaround time and facilitating the application process. We can then work toward tying the on-line permit application forms to the underlying permit tracking databases, resulting in a simplified front-end to the permitting process for use by the public. With all these improvements, searching for general and specific permit information will be much easier than at present.
- A consolidated and integrated statewide Agency network will provide a more effective foundation for supporting important Agency objectives such as permit reform, regardless of office location or departmental affiliation. The use of common access procedures, security protocols, and standardized hardware and software, along with the increased statewide Agency data communications capacity implemented in FY 2003, will facilitate permit processing, as well as disaster recovery plan implementation in the case of an emergency situation.
- An expanded in-house training capacity comprised of upgraded training facilities equipment and a greater number and type of courses being taught, will provide program staff with additional

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Technology

skills that will enhance their overall productivity. A moderate number of desktop software courses have already been designed and offered. More will be made available in areas such as document management, database reporting, web publishing, and GIS map creation in order to enhance the ability of permit specialists to perform their activities.

Indicators and Performance Standards



FY 2004 Key Budget Issues

The IT Division's FY 2004 personnel services budget will be consolidated from the current four separate departmental budgets, increasing the number of centralized IT positions from the FY 2003 number of three to a new total of 16 (including two limited service positions). Thus, the Agency's total IT budget (personnel services and operating) appears to have increased from approximately \$300,000 to over \$1,000,000. In fact, the new total merely reflects the consolidation of existing funding from the departments and a federal grant that can be used only for information technology. Base funding for IT is actually less in FY 2004 than in FY 2003.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	207,427	207,427	1,065,258
Operating Expenses	0	101,950	101,950	150,400
<u>TOTAL</u>	<u>0</u>	<u>309,377</u>	<u>309,377</u>	<u>1,215,658</u>
FUND TYPE				
General Fund	0	115,455	115,455	78,975
Federal Revenue Fund	0	0	0	101,771
Interdepartmental Transfer	0	193,922	193,922	1,034,912
<u>TOTAL</u>	<u>0</u>	<u>309,377</u>	<u>309,377</u>	<u>1,215,658</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fish and Wildlife

Department Mission Statement

The mission of the Vermont Department of Fish and Wildlife is the conservation of fish, wildlife, and plants and their habitats for the people of Vermont. In order to accomplish this mission, the integrity, diversity, and vitality of all natural systems must be protected.

Description of Appropriations, Divisions, & Programs

Administration - Provide administrative support for policy, legal, licensing, and business functions. Promote efficient and effective communications and management systems throughout the organization. Includes support for the Fish & Wildlife Board.

Natural Communities & Habitats - Conserve, restore, and enhance natural communities and habitats that have high wildlife and ecological value in Vermont, and preserve ecosystem integrity.

Fish & Wildlife Species - Conserve and restore Vermont's fish, wildlife, and plant species to maintain ecosystem integrity for the benefit of the public.

Public Support for Land Conservation - Increase the public's support and understanding of land conservation issues and promote and facilitate a land stewardship ethic in Vermont.

Wildlife Harvest Opportunities - Provide a diversity of wildlife harvest opportunities, consistent with resource management goals and within ecological limits.

Angling Opportunities - Provide a diversity of angling opportunities, consistent with resource management goals. Indicators will be participation and satisfaction levels.

Wildlife Watching Opportunities - Provide viewing and photographing opportunities of fish, wildlife, and natural communities consistent with resource management goals while ensuring the protection of the observed species.

Human Safety from Wildlife - Limit the number of human injuries and fatalities that result from encounters with wildlife or participation in fish and wildlife - based recreational activities. Maintain full response to requests from citizens and agencies regarding threats to human life or safety.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fish and Wildlife

Appropriation Key Budget Issues

The Fish and Wildlife Department's proposed budget for FY'04 totals \$14,710,160. This represents a 1.6 % decrease from the approved FY'03 budget. This decrease can be directly related to a reduction of funds received from the Department of Tourism and Marketing, a decrease in enhanced federal dollars, and mid-year corrections associated with the rescission enacted by the Administration. The department's core appropriation will only experience a 1.52% reduction over the FY'03 appropriation.

The department projects a small increase in revenues this year, approximately \$335,000, a 2.5% increase. This increase will enable the department to help minimize any reduction in base services or programs. At this time, our federal fund base appears to be level funded for the coming year. It is important to emphasize that the department receives approximately 80% of it's funding from license fees and federal receipts. Both these funding sources are barely keeping up with the normal salary and benefit increases the department faces each year, not to mention the increased energy costs associated with state hatchery operations.

This budget assumes an interdepartmental transfer of \$248,000 from the Department of Tourism and Marketing, a greater than 50% decrease from FY'02 and earlier. A decrease of this magnitude will restrict the department's ability to continue the present level of marketing and advertising. Unfortunately, these funds are used to promote the department's mission and it's ability to attract future license holders. In order to maintain some level of these services, the department will have to explore other areas to make reductions, such as, increased vacancy savings, reduction in technology improvements, and fewer equipment purchases.

The approved FY'03 budget provided for the expenditure of an estimated 1.1 million new federal dollars. These enhanced federal dollars will decrease to an estimated \$800,000 dollars in FY'04. Again, these funds will be directed to wildlife conservation programs (\$700,000) and Boating Infrastructure Grants (\$100,000). The wildlife conservation dollars will be available to inventory, monitor, and manage species of greatest conservation need.

Performance Program Information

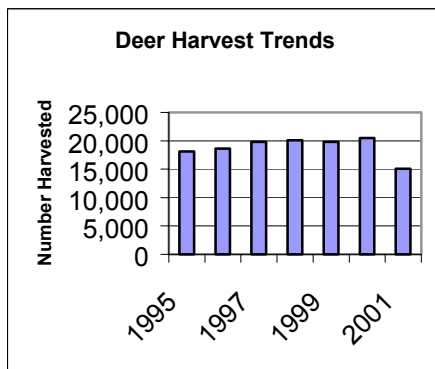
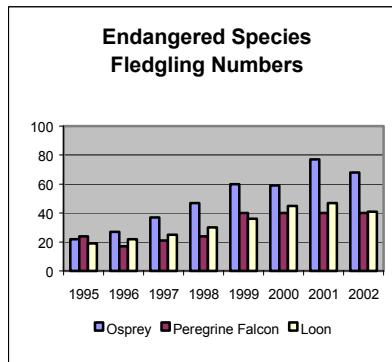
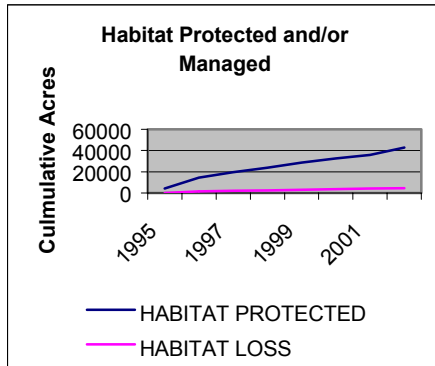
Mission: The conservation of all species of fish, wildlife and plants and their habitats
for the people of Vermont.

Results: *Conserve and restore fish, wildlife and plants species to maintain ecosystem integrity for the benefit of the public.*

Key Indicators:

- The number of species that are listed as endangered or threatened.
- Acres of habitat and shoreline protected.
- Deer harvest trends.

STATE OF VERMONT FISCAL YEAR 2004 BUDGET RECOMMENDATIONS Fish and Wildlife

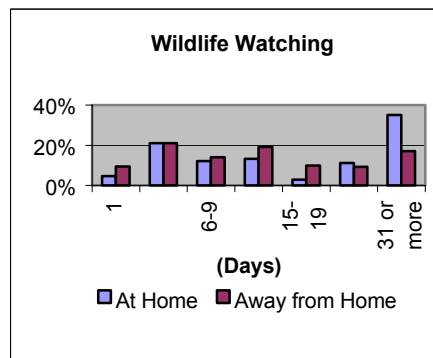
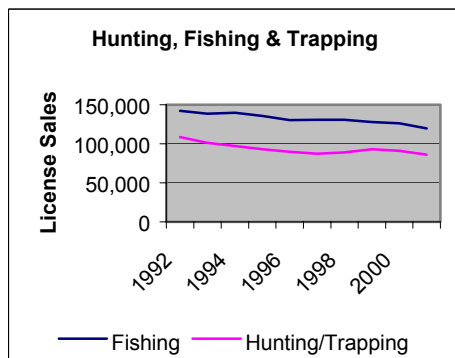


Results: *Provide a diversity of fish and wildlife-based recreational activities including angling & wildlife harvest opportunities, viewing and photography.*

Key Indicators:

Adult participation in fishing and hunting in Vermont.

The percentage of adults and children participating in wildlife-watching activities in Vermont.



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fish and Wildlife

Story behind Baseline Performance

Osprey, loon, and peregrine falcon restoration efforts are succeeding. A total of 62 plant species warrant listing as endangered while 91 state plant species are threatened.

The department reviews development projects that require federal, state or local permits for potential impacts to fish, wildlife, plants and related habitats. As a result of reviewing these 336 projects, a total of 7,043 acres of wildlife habitat was protected, while 253 acres were impacted. Regulatory review is just one tool to decrease the loss of important habitat for fish and wildlife. Through acquisitions, easements, and management agreements, the Vermont Fish and Wildlife Department has conserved over 215,955 acres of important habitat.

Fishing, hunting and trapping are rich traditions and an integral part of Vermont's culture and heritage. In 2001, 96,288 licensed hunters and trappers in Vermont participated in regulated wildlife harvest opportunities within our state, while 123,990 licensed anglers in Vermont enjoyed the opportunities and challenges of fishing Vermont's lakes, streams, and brooks. In a 1999 survey of residents nearly two-thirds participated in some form of wildlife watching within one mile from home.

Strategies:

1. Continue restoration efforts for threatened and endangered species.
2. Manage key fish, wildlife and plant species based on ecological and social values.
3. Continue regulatory reviews.
4. Conserve important habitat through acquisition, easements and management agreements.
5. Limit the increase in the distribution of invasive species.
6. Market hunting and fishing opportunities.

Performance Measure Summary Table:

	Actual <u>FY01</u>	Actual <u>FY02</u>	Target <u>FY03</u>	Target <u>FY04</u>
Deer Harvested	20,498	15,065	17,500	17,500
Endangered Species Number				
Fledglings				
Osprey	77	68		
Peregrine Falcon	40	40		
Loon	47	41		
Habitat Protected/Lost				
Acres Lost	637	253	200	200
Acres Protected	4,166	4,419	2,000	2,000
Acquisition & Conservation Easements				
Acres Acquired	499	356	400	400
Importation Permits				

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fish and Wildlife

Wildlife	50	31	50	50
Fish	15	14	15	15
Number of Hunting and Trapping Licenses Issued (Numbers by calendar year)				
Youth Resident and Nonresident	11,062	10,201	11,500	11,500
Adult Resident and Nonresident	90,860	86,159	91,000	92,000
Number of Fishing Licenses Issued (Numbers by calendar year)				
Youth Resident and Nonresident	4,500	4,289		
Resident and Nonresident	126,176	119,711	126,500	127,500

What do we propose to do to Improve Performance in the next Two years? The next Five or Ten years?

1. Enhancements to the working with wildlife program.
2. Revising the department guide to town planning.
3. Hosting workshops for town planning and conservation commissions.
4. Riverbank assessment and restoration.
5. Continue to issue permits to ensure that imported fish and wildlife pose no threat to native species.
6. Make purchasing a license easier by providing licenses over the Internet.

FY2004 Key Budget Issues:

1. Additional projects will be developed if new federal conservation funds are again authorized.
2. The infrastructures of aging hatcheries and camps need to be rebuilt.

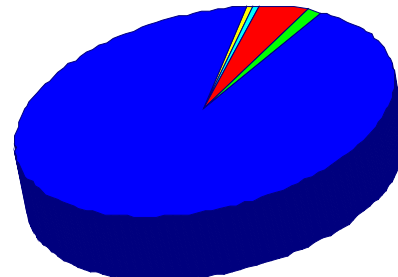
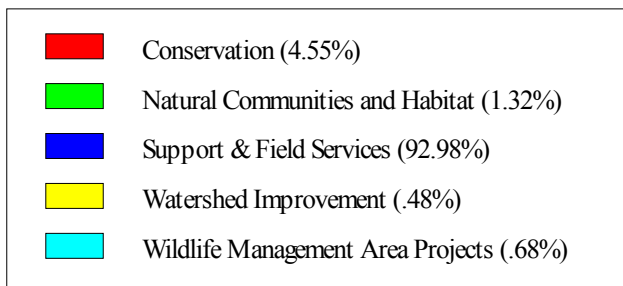
FY2004 Budget:

If additional funding is provided by CARA or similar legislation, additional and/or expanded efforts to develop projects with shoreline protection outreach information for town planners, conservation commissions and the general public could be implemented.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Support & Field Services	130	12,887,086	13,887,334	13,887,334	13,676,860
Land Acquisition	0	16,871	0	0	0
Watershed Improvement	0	46,197	70,000	70,000	70,000
Wildlife Management Area Projects	0	73,240	100,000	100,000	100,000
Conservation	0	0	700,000	700,000	669,000
Recovery Planning	0	61,541	0	0	0
Natural Communities and Habitat	0	0	194,300	194,300	194,300
TOTAL	130	13,084,935	14,951,634	14,951,634	14,710,160
FUND TYPE					
Fish & Wildlife Fund		12,523,335	14,345,207	14,345,207	14,448,040
Interdepartmental Transfer		561,600	606,427	606,427	262,120
TOTAL		13,084,935	14,951,634	14,951,634	14,710,160



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Support & Field Services

Description of Appropriations, Divisions, & Programs

The Support & Field Services appropriation provides the funding for the department's core services. These core services include: protecting the state's fish and wildlife resources by protecting habitat, implementing species management plans, informing and educating the public, and performing basic research.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Support & Field Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	8,879,432	10,269,981	10,269,981	9,687,760
Operating Expenses	3,601,983	3,292,353	3,292,353	3,839,100
Grants	140,483	325,000	325,000	150,000
Land Structures & Improve Budg	265,188	0	0	0
<hr/> TOTAL	<hr/> 12,887,086	<hr/> 13,887,334	<hr/> 13,887,334	<hr/> 13,676,860
FUND TYPE				
Fish & Wildlife Fund	12,325,486	13,280,907	13,280,907	13,414,740
Interdepartmental Transfer	561,600	606,427	606,427	262,120
<hr/> TOTAL	<hr/> 12,887,086	<hr/> 13,887,334	<hr/> 13,887,334	<hr/> 13,676,860

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Land Acquisition**

Description of Appropriations, Divisions, & Programs

The Land Acquisition appropriation provides the funding for the department to purchase land. If funding were available, the department would purchase land it viewed as providing significant wildlife habitats or rare, threatened and endangered species, and natural communities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Land Acquisition

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,571	0	0	0
Operating Expenses	6,500	0	0	0
Land Structures & Improve Budg	8,800	0	0	0
<u>TOTAL</u>	<u>16,871</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND TYPE				
Fish & Wildlife Fund	16,871	0	0	0
<u>TOTAL</u>	<u>16,871</u>	<u>0</u>	<u>0</u>	<u>0</u>

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Watershed Improvement**

Description of Appropriations, Divisions, & Programs

The Watershed Improvement appropriation provides the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Watershed Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	433	0	0	0
Grants	45,764	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 46,197	<hr/> 70,000	<hr/> 70,000	<hr/> 70,000
FUND TYPE				
Fish & Wildlife Fund	46,197	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 46,197	<hr/> 70,000	<hr/> 70,000	<hr/> 70,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wildlife Management Area Projects

Description of Appropriations, Divisions, & Programs

The Wildlife Management Area Projects appropriation provides the funding to enable the department to increase the number of wildlife management areas with biodiversity assessments and management plans.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Wildlife Management Area Projects

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	400	0	0	0
Operating Expenses	72,840	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 73,240	<hr/> 100,000	<hr/> 100,000	<hr/> 100,000
 FUND TYPE				
Fish & Wildlife Fund	73,240	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 73,240	<hr/> 100,000	<hr/> 100,000	<hr/> 100,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Conservation

Description of Appropriations, Divisions, & Programs

The Conservation appropriation provides a combination of state and federal funds to meet the unmet needs of a diverse array of wildlife and associated habitats. These goals are addressed by supporting wildlife conservation, wildlife conservation education, and wildlife-associated recreation.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Conservation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	700,000	700,000	669,000
TOTAL	0	700,000	700,000	669,000
FUND TYPE				
Fish & Wildlife Fund	0	700,000	700,000	669,000
TOTAL	0	700,000	700,000	669,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Recovery Planning

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	19,944	0	0	0
Operating Expenses	1,347	0	0	0
Grants	40,250	0	0	0
<hr/> TOTAL	<hr/> 61,541	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Fish & Wildlife Fund	61,541	0	0	0
<hr/> TOTAL	<hr/> 61,541	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Communities and Habitat**

Description of Appropriations, Divisions, & Programs

The Natural Communities and Habitat appropriation provides the funding to enable the department to conserve, enhance, and restore the ecological integrity of Vermont's natural communities and habitats and the ecological processes that sustain them.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Natural Communities and Habitat

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	10,226	10,226	10,226
Operating Expenses	0	184,074	184,074	184,074
<hr/> TOTAL	<hr/> 0	<hr/> 194,300	<hr/> 194,300	<hr/> 194,300
FUND TYPE				
Fish & Wildlife Fund	0	194,300	194,300	194,300
<hr/> TOTAL	<hr/> 0	<hr/> 194,300	<hr/> 194,300	<hr/> 194,300

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

Department Mission Statement

The mission of the Department of Forests, Parks and Recreation is to practice stewardship of Vermont's environment by:

- Monitoring and maintaining the health, integrity, and diversity of important species, natural communities, and ecological processes
- Managing forests for sustainable use
- Providing and promoting opportunities for compatible outdoor recreation
- Furnishing related information, education, and service.

Description of Appropriations, Divisions, & Programs

Department Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, information system management and legal service as well as administering several recreation grant programs.

Forestry - Forestry programs impact a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 78% of the state. These forests provide the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes tourism, recreation, and an important economic base supporting a diverse forest products industry. The Division has responsibility for administration and oversight of the 1.3 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 342,000 acres of Agency land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood using industry and the administration of forestry regulatory programs.

State Parks - The State Park Division is responsible for the construction, maintenance and operation of the state park system. The State Park system includes 50 developed parks.

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all lands held by the three ANR Departments (approximately 342,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits; carrying out ANR land acquisition and transactions; oversight of long-range management planning; and survey and mapping of ANR lands.

Vermont Youth Conservation Corps - This program administers pass through monies from state parks, AOT, and donations. This program educates youth in good conservation ethics through meaningful employment in natural resource related projects.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

Forest Highway Maintenance - This program uses state transportation funds to repair and maintain the ANR forest highway network on its 342,000 acres.

Appropriation Key Budget Issues

OVERVIEW

In order to comply with the fy 04 budget restrictions, FPR has had to make a significant number of difficult choices.

FORESTRY

Key budget issues include using federal funds for salaries for full time employees. Reliance on federal funding to offset reduced general funds can be unpredictable.

Maintaining position vacancies will defray personnel expenses, but will result in a reduction of time spent on management of Agency lands, and impact regulatory review requirements.

Deferring vehicle purchases will increase the average age of the vehicle fleet.

PARKS

There are several challenges facing the Division. Expenses are increasing at a faster rate than revenues. Since the 1998 engineering study of the entire infrastructure, the Legislature has appropriated \$4.1 million of a \$31 million backlog in necessary repairs; of this, nearly \$4 million worth of improvements has been completed. In 2002 a \$175,000 capital appropriation was received to be matched with \$175,000 federal Land and Water Conservation Funds (LWCF) to begin an aggressive phased construction program for 170 cabins. With nearly \$500,000 available from LWCF each year, an opportunity is available to build more cabins and work on the infrastructure backlog as long as the match is appropriated. Another challenge is to obtain capital appropriations to develop a few of the parks purchased within the past 10 years - Alburg Dunes State Park in Alburg, Lowell Lake State Park in Londonderry and Niquette Bay State Park in Colchester. A major effort is underway to market and promote the parks but, even so, costs are escalating.

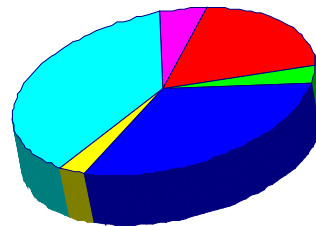
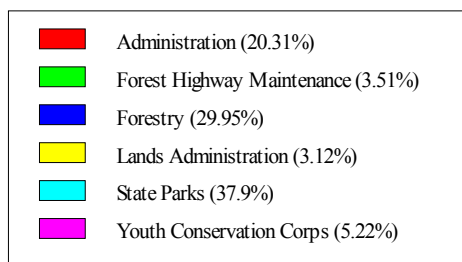
LANDS ADMINISTRATION

A \$95,000 FY04 shortfall in general funds is being offset by anticipated interdepartmental transfers for work performed on Fish and Wildlife lands by department lands staff.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	11	1,555,369	2,792,207	2,809,784	3,512,817
Forestry	68	5,345,307	5,072,974	5,326,666	5,180,598
State Parks	38	6,126,311	6,259,543	6,243,410	6,557,558
Lands Administration	4	394,023	275,928	282,816	539,781
Rural Community Fire Protection	0	19,000	19,000	19,000	0
Senior Community Serv Employment	0	6,485	38,000	38,000	0
Snowmobile Trails Program	0	488,406	442,000	442,000	0
Youth Conservation Corps	0	984,923	1,177,110	1,177,110	902,945
Forest Highway Maintenance	0	729,969	606,539	606,539	606,539
Property Survey	2	0	130,498	133,227	0
TOTAL	123	15,649,793	16,813,799	17,078,552	17,300,238
FUND TYPE					
General Fund		4,201,151	4,646,100	4,746,645	4,595,018
Transportation Fund		751,469	628,039	628,039	628,039
Special Fund		7,911,006	7,762,346	7,743,614	8,011,293
Federal Revenue Fund		2,057,721	3,007,751	3,174,231	3,144,973
Permanent Trust Fund		0	5,042	5,157	5,000
Interdepartmental Transfer		728,446	764,521	780,866	915,915
TOTAL		15,649,793	16,813,799	17,078,552	17,300,238



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration**

Description of Appropriations, Divisions, & Programs

Department Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, information system management and legal service as well as administering several recreation grant programs.

Appropriation Key Budget Issues

In order to comply with the fy 04 budget restrictions, FPR has reached the limit of its ability to continue to function at the level that the public expects. Any further reduction in financial resources will have impacts resulting in the curtailment of services and programs.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	728,996	664,002	738,879	712,712
Operating Expenses	115,867	466,205	408,905	573,605
Grants	710,506	1,662,000	1,662,000	2,226,500
<hr/> TOTAL	<hr/> 1,555,369	<hr/> 2,792,207	<hr/> 2,809,784	<hr/> 3,512,817
FUND TYPE				
General Fund	721,997	868,523	882,937	1,003,817
Special Fund	321,110	321,684	322,562	882,000
Federal Revenue Fund	512,262	1,602,000	1,604,285	1,627,000
<hr/> TOTAL	<hr/> 1,555,369	<hr/> 2,792,207	<hr/> 2,809,784	<hr/> 3,512,817

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forestry

Description of Appropriations, Divisions, & Programs

Forestry - Forestry programs impact a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 78% of the state. These forests provide the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes tourism, recreation, and an important economic base supporting a diverse forest products industry. The Division has responsibility for administration and oversight of the 1.3 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 342,000 acres of Agency land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood using industry and the administration of forestry regulatory programs.

Performance Program Information

Results:

The Forestry Division fulfills the mission of the Department of Forests, Parks and Recreation for sound management and sustainable use of Vermont's forests, forestland, recreation, and other natural resources through the broad programs of managing Agency lands, monitoring the statewide condition of forests, and helping private landowners as stewards of their forestland. Additionally, programs assist communities in urban and community forestry, protect forests from large-scale outbreaks of diseases, insect pests, and wildfire, assist the wood-using industry, and provide educational opportunities on forestry subjects to all ages.

These results are accomplished by assessing and constantly monitoring the health of forest ecosystems, practicing and promoting the concepts of sustainable, integrated natural resource management on both public and private forest land, and promoting the sustainable use of natural resources that strengthen and support Vermont's working landscape. Of most importance is providing people of all ages with information and education of the principles of forest stewardship.

Key Indicators:

The following have been identified as some of the key indicators of the success of the Forestry Division in meeting program goals:

- Agency acres under vegetative management treatment
- Number of acres under aerial detection
- Number of communities with on-going tree care programs
- Acres enrolled in Use Value Appraisal Program

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forestry

- Number of private forest landowners assisted
- Number of industry assists
- Number of presentations on sustainability of Vermont's forest

Story Behind Baseline Performance:

Annual Stewardship Plans are prepared, outlining forest management activities on agency lands by district. These activities are identified in long range management plans, prepared for each parcel. Vegetative management activities maintain forest health, improve productivity, enhance wildlife habitat, support wood utilizing industries, and generate revenues.

Aerial surveys are conducted annually to monitor the health of Vermont's forest and assess the role of natural insect and disease outbreaks in overall ecosystem integrity. Information and data is provided to landowners, managers, and state and federal agencies.

Promoting the health and stewardship of urban and community forests enhances the quality of life in Vermont communities. The goal is to promote sustainable local programs through technical assistance, education and training, community grants, and encouraging community involvement. Providing information, education, and limited technical assistance to private landowners maintains a strong forest base, as over 80% of forestland is privately owned. Administering the forestry component of the Use Value Appraisal program supports sustainable forestry, local economies, and a stable working landscape.

Assistance in promoting and marketing Vermont logs and wood products is critical in competing in the global marketplace. Providing reliable forest statistics, data bases of manufacturers, and training on wood utilization, efficiency and biomass are important to the second largest manufacturing sector in the state. Continued strong commitment on educational outreach, both formally and informally, is the backbone of creating a stewardship ethic for all Vermonters. Public awareness, appreciation, and knowledge of forests' contribution to Vermonters' quality of life are critical to maintaining a sustainable resource base.

Strategy:

Over the short term, the Forestry Division will focus on maintaining scheduled long-range management plan updates while meeting necessary state land field operations, fulfilling federal forestry program obligations, and meeting statutory and regulatory mandates. This will be accomplished by maintaining a flexible and cross-trained workforce, able to shift workloads and responsibilities as demanded. With decreasing revenues, the Division will need to begin a process of evaluating existing programs, with an eye toward determining 'mission critical' elements, and develop a strategy for restructuring if work staff reduction becomes necessary.

Long-term goals and actions continue to be guided by the Vermont Forest Resource Plan, 1999 – 2008.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forestry

<i>Performance Measures:</i>	<i>Actual 02</i>	<i>03</i>	<i>Target 04</i>
Agency acres under treatment	2,000	2,200	2,000
No. Acres under aerial detection	4,500,000	4,500,000	4,500,000
No. Communities with tree care programs	65	70	70
Acres UVA Program	1,280,000	1,300,000	1,320,000
No. Landowners assisted	2,500	2,500	2,200
No. Industry assists	550	575	575
No. of presentations on Vermont's forest.	700	750	700

FY'04 Budget and Key Budget Issues:

Forestry programs affect a broad and expanding constituency concerned with the sustainable use, management, protection, and future condition of Vermont's forest landscape, representing 78% of the state. The Division has responsibility for administration and oversight of the 1.3 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 340,000 acres of Agency land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood using industry, and the administration of forestry regulatory programs.

Key budget issues include using federal funds for full-time employees.

Reliance on federal funding may be unpredictable although federal funding has remained stable in the past.

Maintaining position vacancies will defray personnel expenses, but results in a reduction of time spent on management of Agency lands, and impacts regulatory review requirements. Administration of the Current Use Program accounted for over \$280,000 in personnel expenses, almost 5% of the budget. Increases in enrollment, compounded by staff reductions, will affect our ability to meet program obligations.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forestry

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,279,730	4,212,435	4,327,677	4,301,098
Operating Expenses	391,857	585,539	549,989	509,500
Grants	673,720	275,000	449,000	370,000
<hr/> TOTAL	<hr/> 5,345,307	<hr/> 5,072,974	<hr/> 5,326,666	<hr/> 5,180,598
FUND TYPE				
General Fund	3,085,131	3,011,663	3,084,796	2,969,625
Transportation Fund	21,500	21,500	21,500	21,500
Special Fund	386,701	362,502	371,088	362,500
Federal Revenue Fund	1,519,974	1,348,751	1,512,946	1,517,973
Permanent Trust Fund	0	5,042	5,157	5,000
Interdepartmental Transfer	332,001	323,516	331,179	304,000
<hr/> TOTAL	<hr/> 5,345,307	<hr/> 5,072,974	<hr/> 5,326,666	<hr/> 5,180,598

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Parks

Description of Appropriations, Divisions, & Programs

State Parks - The State Park Division is responsible for the construction, maintenance and operation of the state park system. The State Park system includes 50 developed parks.

Performance Program Information

Results:

As stated in the FPR Strategic Plan 2001-2005, the end result of operating and maintaining the State Park system is to provide high quality opportunity for outdoor recreation that is compatible with and protects Vermont's natural resources and aesthetics, provides environmental education and supports the economies and values of local communities. These results are accomplished by exposing as many Vermonters and their guests as possible to the values and messages of the park system without, of course, degrading the resource and, in so doing, provide the very highest quality of customer service to ensure the values of the system are well-received.

Key Indicators:

The following are interrelated indicators of successful operation and maintenance of the state park system.

- ▶ Total park attendance (visitor days/nights)
- ▶ Visitor satisfaction (% approval rating)

Story Behind Baseline Performance:

Park attendance data is available for every operating season since 1936. Since the data collection method has remained essentially unchanged, this provides a fairly accurate comparative indicator of park visitation over time. This is our baseline performance.

With day use attendance well below that of the highest seasons in the 1960's and with campground occupancy at only about 50%, there is substantial room to increase visitation without degrading the natural or recreational resources. In addition to increasing attendance to simply expose more people to the benefits and values offered by the parks, there is strong incentive to increase attendance to result in higher revenues to sustain the system financially. Ninety-four percent (94%) of the funds to operate and maintain the system come from park-generated fees and lease payments from ski areas.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Parks

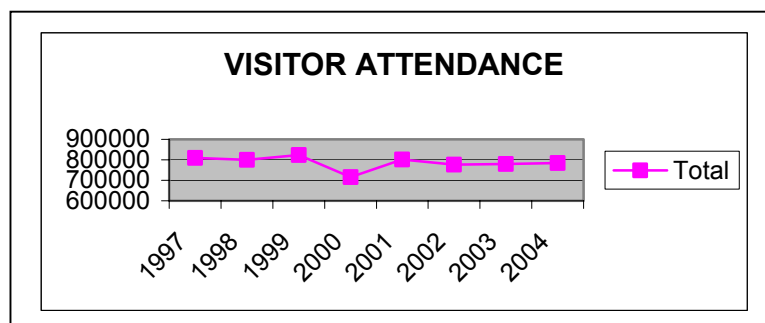
Over the years, a number of factors beyond the control of the park system have contributed to variations in attendance (e.g., wars, weather, economy, etc.). These factors result in recognizable and somewhat predictable short-term anomalies in the data. It is our belief that the factors affecting long-term trends are those over which managers of the system have greater control (e.g., service quality, rules enforcement, fees, maintenance of facilities, cleanliness of buildings and grounds, etc.). A reputation for high quality service not only ensures return visits, but "spreads the word" to others in the most effective way: through satisfied visitors. In times when competition for leisure time is high, this is critical in order to sustain or enhance total visitation. Visitor satisfaction data has been collected consistently since 1985. Although it is perhaps the best true indicator of park system performance, its companion park attendance, in theory, over the long-term, should follow a similar pattern.

Strategy:

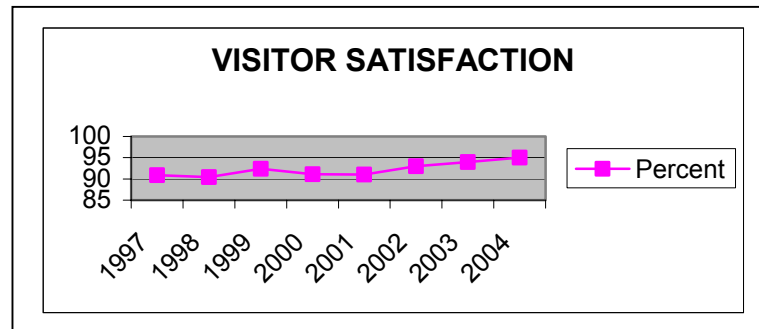
- ▶ Maintain a high quality workforce capable of providing the very highest level of customer service. This is being done through enhanced recruitment, continually upgraded training, longevity reward, incentive programs to reward accomplishments and development of an employment network with off-season employees.
- ▶ Upgrade infrastructure to meet current acceptable public standards. Modest efforts are done routinely through day-to-day maintenance, however, a substantial influx in capital funding is critical to catch up with the needs.
- ▶ Continue to help market and promote Vermont as a recreational destination to residents and tourists, camping as an activity and State Parks as a specific venue.
- ▶ Work to secure capital funding for needed expansion of basic services at several newly acquired parks.

Performance Measures:

Successful implementation of the above strategies should affect performance indicators as shown below.



**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Parks**



FY04 Budget and Key Budget Issues:

From 1990 to 2001, the State Parks Division budget was funded about 45% from leases of seven ski areas on state lands and about 55% from park user fees. With costs increasing at a faster rate than revenues, \$438,716 was appropriated from the General Fund in FY03, after adjustment for Pay Act increases. This amount has been decreased by \$138,200 in FY04. The total State Parks Division program budget for FY04 is \$6,548,176, which is almost entirely in personal services. We anticipate the reduction in General Fund will be made up by a camping fee increase. With an annual economic impact of over \$55 million to Vermont's economy, it is important to maintain an excellent state park system.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
State Parks

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,143,542	4,029,943	4,170,490	4,486,938
Operating Expenses	1,973,724	2,194,600	2,062,920	2,065,620
Grants	9,045	35,000	10,000	5,000
<hr/> TOTAL	<hr/> 6,126,311	<hr/> 6,259,543	<hr/> 6,243,410	<hr/> 6,557,558
FUND TYPE				
General Fund	0	399,489	403,716	301,795
Special Fund	6,118,311	5,827,050	5,798,854	6,212,763
Interdepartmental Transfer	8,000	33,004	40,840	43,000
<hr/> TOTAL	<hr/> 6,126,311	<hr/> 6,259,543	<hr/> 6,243,410	<hr/> 6,557,558

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lands Administration**

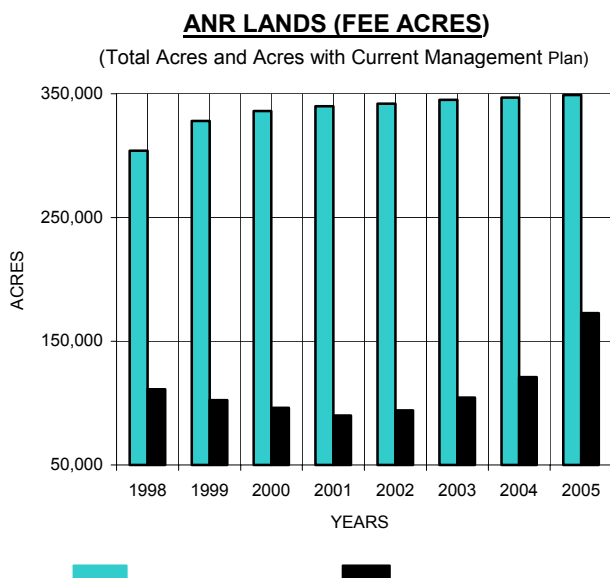
Description of Appropriations, Divisions, & Programs

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all lands held by the three ANR Departments (approximately 342,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits; carrying out ANR land acquisition and transactions; oversight of long-range management planning; and survey and mapping of ANR lands.

Performance Program Information

Results:

The end results of the Lands Administration Program are to provide public lands for resource protection and public outdoor recreation purposes, to foster responsible stewardship and use of ANR lands, and to make information on ANR lands readily available to the public. These results are accomplished by carrying out Agency land acquisitions; coordinating long-range management planning for ANR lands and state comprehensive outdoor recreation planning; completing property surveys and resolving boundary issues on ANR lands; producing maps and maintaining property records of ANR lands; administering leases and licenses for special uses of ANR lands; and responding to a variety of requests for information on ANR lands.

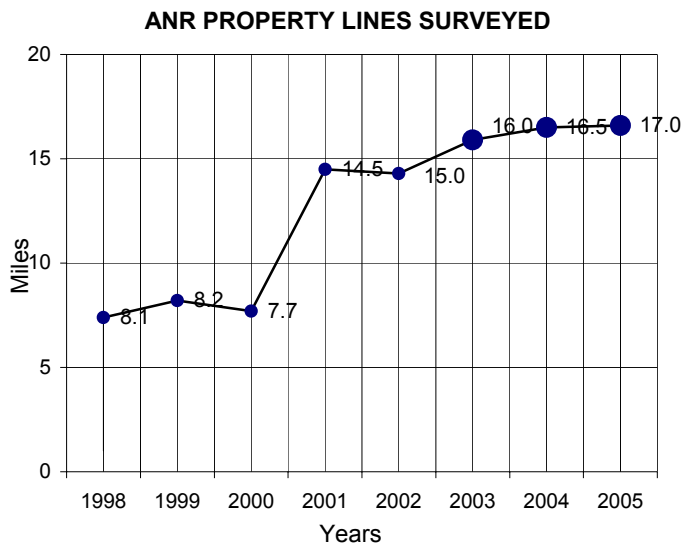


Key Indicators:

The following have been identified as some of the key indicators of success for the Lands Administration Program:

- Acres under ANR ownership
- ANR acres with current management plan
- Length of property line surveyed
- Number of boundary issues resolved
- Land records entered onto archival database

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lands Administration**



Total Acres



Acres with Current Management Plan

Actual Miles



Estimated Miles

Story Behind Baseline Performance:

Over the last decade, the Agency has added nearly 200,000 acres to its land base (including both fee acres and conservation easements on lands). This legacy of new land acquisition culminated with the recent Champion lands purchase in which the Agency acquired the 22,000-acre West Mt. WMA, and a separate public access easement on 84,000 acres of private forestland.

Long-range management plans provide the guidance for management of ANR lands. Over the past several years, ANR has devoted a considerable amount of time in establishing new protocols for developing these plans. However, the development of these plans has not kept pace with the rate at which new ANR land holdings have been acquired. As a result, many important land management activities (trail construction, forest management, etc.) have necessarily been deferred until these plans can be completed.

Additionally, many of the Agency's new holdings have not been surveyed and add to an already huge backlog of ANR lands needing survey. It is conservatively estimated that more

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lands Administration

than 20% of the Agency's land holdings now need a property survey. The rapid pace of land acquisition over the last decade by the Agency has also resulted in a substantial increase in the number of encroachments and other boundary issues on Agency lands needing resolution.

Strategy:

Over the short term, the Lands Administration Program will focus on conducting needed boundary surveys and resolving critical boundary issues on ANR lands (particularly on Fish and Wildlife lands); developing an archival database of electronically-scanned ANR land records; and completing the 2005 State Comprehensive Outdoor Recreation Plan (SCORP). Specific strategies for this fiscal year include:

- Secure needed funding and assistance from the Agency, the Fish and Wildlife Department, and the Forestry Division to complete needed surveys and resolve priority boundary disputes.
- Finalize protocols for electronic imaging/archiving of ANR lands records and provide documents/maps to Buildings and General Services' electronic imaging staff.
- Complete surveys and assessments, establish ANR advisory group, and initiate public involvement activities for SCORP.

Over the next five years and beyond, the Lands Administration Program will, along with other functions, continue its emphasis on long-range management planning activities. Long-range management planning on ANR lands will benefit from incorporation of new technology (e.g., GIS, GPS) and improved protocols for inventory, assessment, and public involvement. Program goals are to increase the acreage of ANR lands that are served by a current long-range management plan, which will enhance ANR land stewardship efforts. ANR land acquisitions efforts will continue but will be primarily targeted towards strategic parcels that enhance resource protection efforts and outdoor recreation opportunities already available on existing state lands. There will also be an increased focus on the acquisition of conservation easements on important forestland properties.

Performance Measures:

Performance Measures	Actual FY01 *	Actual FY02 *	Actual FY03 *	Target FY04
Property line surveyed	±40,000'	±80,000'	±80,000'	±86,000'
Boundary issues resolved	±3	±6	±8	±10
LRMPs completed	2	2	±6	±6
ANR parcels scanned and entered onto database	-	-	±6	±12

*Notes: The Lands Administration Division has not traditionally kept track of any of the performance measures listed in the above table. Consequently, these figures should generally be considered best-guess estimates only. The scanning of ANR property records into an archival database is anticipated to begin in FY'03.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lands Administration

FY'04 Budget and Key Budget Issues:

Traditionally, the Lands Administration program's budget has been funded entirely with state general fund monies. Due to state budget shortfalls over the past two years, however, general fund support for this program has been reduced and cost-sharing financing has been implemented. This trend is expected to continue in FY'04. The total Lands Administration program budget for FY'04 is \$539,000 (see attached budget sheets). Other than providing for mandatory "pay act" increases to existing lands division staff, and small increases to overhead costs, this is a level funded budget with no additional increases over the FY'03 budget. The budget relies on \$319,000 in state general fund monies. An additional \$125,000 in interdepartmental transfers and special funds are anticipated to support state land acquisition and long-range management planning for state lands. The remainder (\$95,000) will come from interdepartmental transfers dedicated to work performed on Fish and Wildlife lands by FPR staff. This figure includes \$20,000 from a one-time Agency appropriation for boundary survey of the former Champion lands (now West Mt. Wildlife Management Area).

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Lands Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	355,689	242,378	249,266	379,281
Operating Expenses	38,334	33,550	33,550	35,500
Land Structures & Improve Budg	0	0	0	125,000
<hr/> TOTAL	<hr/> 394,023	<hr/> 275,928	<hr/> 282,816	<hr/> 539,781
FUND TYPE				
General Fund	394,023	275,928	282,816	319,781
Special Fund	0	0	0	25,000
Interdepartmental Transfer	0	0	0	195,000
<hr/> TOTAL	<hr/> 394,023	<hr/> 275,928	<hr/> 282,816	<hr/> 539,781

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Rural Community Fire Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	7,000	7,000	0
Operating Expenses	0	12,000	12,000	0
Grants	19,000	0	0	0
<hr/> TOTAL	<hr/> 19,000	<hr/> 19,000	<hr/> 19,000	<hr/> 0
FUND TYPE				
Federal Revenue Fund	19,000	19,000	19,000	0
<hr/> TOTAL	<hr/> 19,000	<hr/> 19,000	<hr/> 19,000	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Senior Community Serv Employment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	6,485	36,000	36,000	0
Operating Expenses	0	2,000	2,000	0
<hr/> TOTAL	<hr/> 6,485	<hr/> 38,000	<hr/> 38,000	<hr/> 0
FUND TYPE				
Federal Revenue Fund	6,485	38,000	38,000	0
<hr/> TOTAL	<hr/> 6,485	<hr/> 38,000	<hr/> 38,000	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Snowmobile Trails Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	11,500	11,500	0
Grants	488,406	430,500	430,500	0
<hr/> TOTAL	<hr/> 488,406	<hr/> 442,000	<hr/> 442,000	<hr/> 0
FUND TYPE				
Special Fund	488,406	442,000	442,000	0
<hr/> TOTAL	<hr/> 488,406	<hr/> 442,000	<hr/> 442,000	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Youth Conservation Corps**

Description of Appropriations, Divisions, & Programs

Vermont Youth Conservation Corps - This program administers pass through monies from state parks, AOT, and donations. This program educates youth in good conservation ethics through meaningful employment in natural resource related projects.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	444,079	490,660	490,660	369,245
Operating Expenses	24,984	36,450	36,450	33,700
Grants	515,860	650,000	650,000	500,000
<hr/> TOTAL	<hr/> 984,923	<hr/> 1,177,110	<hr/> 1,177,110	<hr/> 902,945
FUND TYPE				
Special Fund	596,478	809,110	809,110	529,030
Interdepartmental Transfer	388,445	368,000	368,000	373,915
<hr/> TOTAL	<hr/> 984,923	<hr/> 1,177,110	<hr/> 1,177,110	<hr/> 902,945

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

Description of Appropriations, Divisions, & Programs

Forest Highway Maintenance - This program uses state transportation funds to repair and maintain the ANR forest highway network on its 342,000 acres.

Appropriation Key Budget Issues

This appropriation is level funded.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	354,840	2,539	2,539	2,539
Operating Expenses	335,485	404,000	404,000	404,000
Grants	9,158	200,000	200,000	200,000
Land Structures & Improve Budg	30,486	0	0	0
<hr/> TOTAL	<hr/> 729,969	<hr/> 606,539	<hr/> 606,539	<hr/> 606,539
 FUND TYPE				
Transportation Fund	729,969	606,539	606,539	606,539
<hr/> TOTAL	<hr/> 729,969	<hr/> 606,539	<hr/> 606,539	<hr/> 606,539

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Property Survey

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	115,548	118,277	0
Operating Expenses	0	14,950	14,950	0
<u>TOTAL</u>	<u>0</u>	<u>130,498</u>	<u>133,227</u>	<u>0</u>
FUND TYPE				
General Fund	0	90,497	92,380	0
Interdepartmental Transfer	0	40,001	40,847	0
<u>TOTAL</u>	<u>0</u>	<u>130,498</u>	<u>133,227</u>	<u>0</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Conservation

Department Mission Statement

To preserve, enhance, restore, and conserve Vermont's natural resources, and protect human health, for the benefit of this and future generations.

Description of Appropriations, Divisions, & Programs

The Department of Environmental Conservation is charged, by statute and through delegation from the Agency, with the protection of public health and the environment. The department meets this challenge through: (1) public education and technical assistance; (2) financial assistance with grants and loans; (3) permits for activities that require specific conditions, compliance inspections, and enforcement to ensure public health and the environment are protected in fairly and effectively; and (4) environmental monitoring and completing projects such as aquatic weed harvesting and riverbank restoration. We believe that we must treat people fairly, honestly and openly; that our programs must be efficient and cost-effective; that we must lead by example; that our actions must be timely; and that we must show respect for both Vermont's people and natural resources.

The department has moved to three performance based budgets, covering all appropriations in fiscal year 2004. This results in the six FY 2003 appropriations being combined into three appropriations in FY04, as follows. The Commissioners Office and Environmental Assistance appropriations are now the Management and Support Services appropriations. The Office of Air and Waste Management and Various Environmental Special Funds appropriations are now the Air and Waste Management appropriation. Last years performance based budget appropriation, Surface Water, is combined with the Office of Water appropriation. A description of each department program is summarized below in the context of the departments divisions.

Environmental Assistance Division

The Environmental Assistance Division is the only division within the Department of Environmental Conservation without regulatory responsibilities. Permit Specialists provide assistance and identify needed permits for each applicant. Compliance Specialists provide assistance to small businesses and municipalities to help them understand and comply with environmental requirements. The Waste Prevention Section works with state agencies, businesses, communities, and individuals to identify effective and economical ways to reduce waste at the source or to recycle waste materials. The division promotes both a sustainable economy and environmental excellence through the use of education, assistance and innovation.

Geological Survey

The Geological Survey conducts surveys and research and provides aid and advice on the geology, mineral resources, and topography of Vermont. Geological information plays a significant role in

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Conservation

locating groundwater supplies, arranging for waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Geological research helps locate the source of groundwater and earth materials upon which ecosystems are rooted, as well as understanding the soil that supports agricultural production. The extraction of mineral resources includes dimension stone, crushed rock, and sand and gravel. The survey also includes the Radioactive Waste Management Program and is part of the Environmental Assistance Division.

Air Pollution Control Division

The Air Pollution Control Division administers a statewide program of air pollution prevention, abatement, and control, with the goal of protecting public health and the environment. In addition to its regulatory authority, the division has been actively involved at the national level in efforts to demonstrate the harmful effects of emissions from Midwestern power plants on the environment of Vermont and other eastern states. The division has Planning and Technical Services Sections to identify and assess risk. The Field Services, Engineering Services, and Mobile Source Control Sections implement risk management decisions.

Waste Management

The Waste Management Division oversees the management of solid and hazardous wastes to protect public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards, U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act, and the Underground Storage Tank Program. The division also oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum from underground storage tanks and above ground tanks. The division maintains a 24-hour Spill Response Team to provide assistance in the control and cleanup of spills.

Facilities Engineering Division

The Facilities Engineering Division administers state and federal programs that fund planning and construction of municipal wastewater systems, municipal and privately-owned public water systems, and municipal solid waste implementation projects. It also plans and implements the original construction or improvements to state-owned dams and to Fish and Wildlife and Forests, Parks and Recreation projects such as fishing access areas, hatcheries, and state park facilities. The division also administers the Dam Safety Program, which involves safety inspections of non-power generating dams, and review and permitting for dam alteration or construction projects.

Wastewater Management Division

The Wastewater Management Division Waterbury office administers the permitting programs for municipal and industrial wastewater, indirect discharges, residuals management, and underground injection control. All but the state indirect discharge program are federally delegated programs. Ancillary to the permitting programs are compliance review, enforcement, and licensing of treatment plant operators as well as inspections of and technical assistance for treatment plant operations. These programs regulate the pollutants and promote compliance in approximately 150 million gallons of

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Conservation

effluent discharged to Vermont waters each day. Particular attention is given to assistance for small communities.

From the Agency's five regional offices, the division administers water supply and soil-based wastewater permits for systems with less than 6,500 gallons per-day design capacity. These permits cover most residential and commercial development, including subdivisions, public buildings, mobile home parks, and campgrounds. The division issues approximately 3,000 permits annually. The site technician licensing program is also administered through the regional offices.

Water Supply Division

The Water Supply Division is responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, and permitting of all aspects of construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

Water Quality Division

The Water Quality Division helps protect surface water quality and quantity for Vermont's 800 significant lakes and ponds, 7,000 miles of rivers and streams, and 300,000 acres of wetlands. The Division conducts chemical, physical, and biological environmental monitoring, and provides guidance to citizen monitoring programs, to determine the current quality and threats to that quality. It publishes assessments on streams, rivers, lakes, and wetlands, and prepares watershed plans for each basin through a public-private collaboration in which waters experiencing difficulties are identified and corrective strategies are developed and implemented.

The Division's regulatory programs implement the State's Wetland and Stormwater Rules, Federal Erosion Control and Stormwater General Permits, the Vermont Water Quality Standards, and state permits for aquatic nuisance control, lakeshore encroachments, and stream alterations. The Division assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards. The Division awards grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. The Division also administers an aquatic nuisance management program, a river management and a flood hazard mitigation program, and sponsors Project WET (Water Education for Teachers).

Appropriation Key Budget Issues

The Department of Environmental Conservation (DEC) relies on revenues from over one hundred individual sources to make up its budget. These funding sources are primarily general fund, federal funds, and fees from different types of permits and registrations. Federal funds have not kept pace with inflation, and fee income fluctuates with the economy. Projecting revenue from fees, especially new

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Conservation

fees, as we have this year, is very difficult.

The Department administers various regulatory programs, mandated by the state and/or federal government, which oversee the discharge of pollutants into the air, water and soil. In most instances, the policy decision was made over three decades ago that DEC should accept the federal delegation of the environmental regulatory programs from the EPA, so that Vermonters could deal with the permit process locally rather than with the EPA in Boston.

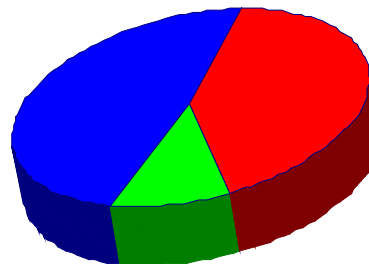
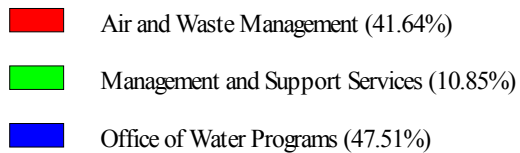
Because of the budget difficulties in DEC in FY02, independent analyses were conducted of the DEC financial system. DEC was able to recover from projected FY02 deficits and actually end the year with a slight surplus. However, some of the serious underlying problems identified by these independent analyses, most notably the fact that fees and federal funding do not keep pace with unavoidable cost increases (salaries, inflation, etc.), remain to be addressed, and must be addressed for the long term.

The budget, as presented shows unfilled vacancies, fee receipts, position eliminations, and cuts in operating expenses that will carry us through fiscal year 2004.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Commissioner's Office	12	1,012,852	963,989	987,546	0
Management and Support Services	21	1,379,671	1,546,698	1,648,710	3,316,183
Air and Waste Management	86	6,078,701	7,080,059	7,222,789	12,731,335
Office of Water Programs	87	12,540,634	6,960,386	7,111,127	14,525,824
Var Environmental Special Funds	0	7,444,515	4,957,783	6,028,071	0
Surface Water	74	0	7,608,653	8,186,169	0
TOTAL	280	28,456,373	29,117,568	31,184,412	30,573,342
FUND TYPE					
General Fund		4,613,369	7,244,350	7,416,689	6,830,444
Transportation Fund		395,192	221,040	226,217	228,689
Special Fund		13,501,130	11,872,471	13,396,079	12,565,843
Federal Revenue Fund		9,245,841	8,721,791	9,047,511	9,460,779
Interdepartmental Transfer		700,841	1,057,916	1,097,916	1,487,587
TOTAL		28,456,373	29,117,568	31,184,412	30,573,342



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Commissioner's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	918,729	773,570	797,127	0
Operating Expenses	93,923	190,419	190,419	0
Grants	200	0	0	0
<hr/> TOTAL	<hr/> 1,012,852	<hr/> 963,989	<hr/> 987,546	<hr/> 0
FUND TYPE				
General Fund	368,744	330,386	330,386	0
Special Fund	161,240	189,365	189,365	0
Federal Revenue Fund	482,868	444,238	467,795	0
<hr/> TOTAL	<hr/> 1,012,852	<hr/> 963,989	<hr/> 987,546	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Management and Support Services

Description of Appropriations, Divisions, & Programs

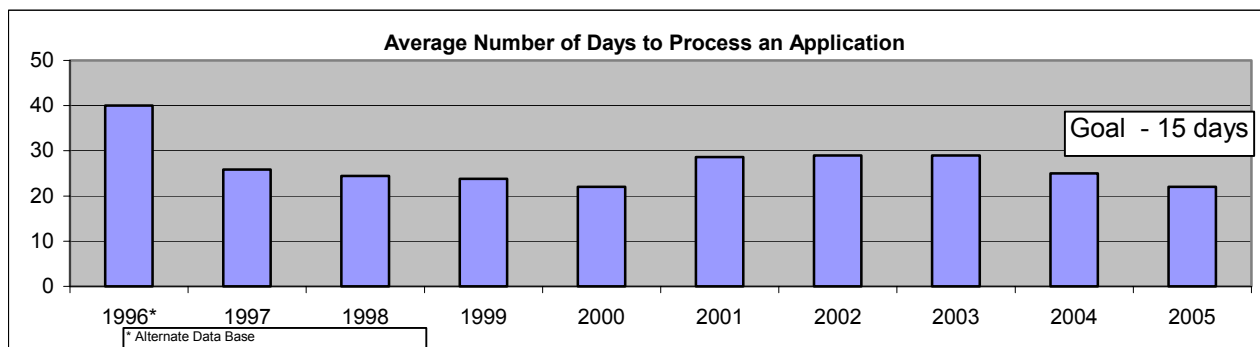
The Management and Support Services appropriation supports management, budget, legal and planning services provided to the department. This appropriation also includes pollution prevention, permit and compliance assistance, laboratory, and geological services provided to the regulated community and the general public. This appropriation was formerly presented as two independent appropriations, the Commissioner's Office and the Environmental Assistance Division, and the laboratory was part of the former Office of Water Programs appropriation.

Performance Program Information

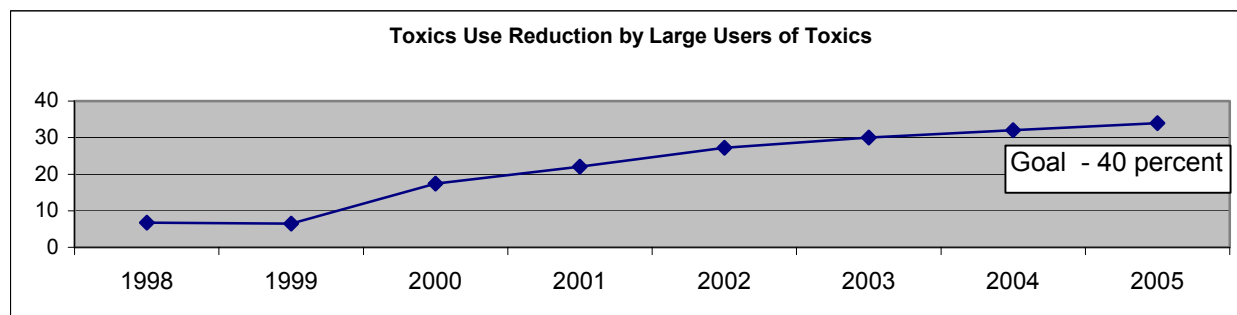
Results:

A well lead, financially sound, and operationally efficient Department of Environmental Conservation. Satisfied permit applicants, a compliant regulated community, reduced use of hazardous materials by Vermont businesses, increased use of geologic information and an efficiently operating environmental laboratory.

Key Indicators:



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Management and Support Services



Story Behind the Baseline Performance:

The Management and Support Services appropriation includes the Commissioner's Office, the Environmental Assistance Division and the Department Laboratory. The Commissioner's Office provides leadership, and operational budget, legal, policy and planning support to all divisions. The Environmental Assistance Division provides permit application and compliance assistance, pollution prevention assistance, and geologic services. The Department Laboratory provides laboratory service to state and private groups.

The average number of days to process an application decreased from 1996 to 2000, with a rise in 2001 reflecting increased case-loads in the Underground Storage Tank, Solid Waste and Water Supply Programs. This rise is expected to continue for a year or two due to decreasing resources and staff. Decreases in the average number of days to process an application are expected with the phase in of new efforts to improve efficiencies such as increased use of the internet to process applications.

Businesses and municipalities that use over 1000 pounds per year of certain toxic chemicals are tracked and provided pollution prevention services. These services, which include pollution planning and technical assistance, have encouraged more than a 30 percent reduction in the amount of toxic materials used since 1996.

Strategies:

The Department uses four major strategies to encourage behavior changes that will improve and maintain environmental conditions.

1. Education and Technical Assistance
2. Grants and Loans
3. Regulation, Compliance Assistance and Enforcement
4. Direct Services, Monitoring, and Assessment

All strategies are supported by the Commissioner's Office services. The Environmental Assistance Division uses education and technical assistance in their Permit and Compliance Assistance, Waste Prevention, Environmental Leadership and Geologic services programs. The Laboratory provides technical assistance.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Management and Support Services

What Do We Propose To Do To Improve Performance?

1. The Department is reviewing all permitting programs to identify areas where efficiencies can be gained through the use of alternate processes such as general permits and permits by rule.
2. Lead a DEC team to improve the department's public website. This effort will include the implementation and evaluation of the first phase of online permit application processing.
3. Assist Vermont dentists and hospitals in removing mercury from their waste-streams. Develop departmental level dioxin and mercury reduction strategy.
4. Begin development of an improved Laboratory information system.

FY2004 Key Budget Issues:

Special funds and federal funding sources are not increasing to meet annual inflationary costs. This combined with decreases in general funds results in the department not being able to fill or maintain some positions and associated work. The Department will review reorganization as a way to partially offset these funding concerns.

Performance Measures Summary Table

Performance Measures	FY00	FY01	FY02	FY03	FY04	FY05
Hazardous waste reduction statewide (% from 1992 baseline)	28.1	46	40	40	40	40
Businesses receiving office and field based compliance assistance	454	631	685	740	740	740
Municipalities receiving office and field based compliance assistance	0	16	46	110	110	110
Number of violations corrected by businesses through on-site reviews	136	68	75	75	75	75
Number of violations corrected by municipalities through on-site reviews	0	11	140	170	170	170

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Management and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,177,238	1,292,897	1,334,909	2,467,896
Operating Expenses	101,239	223,801	223,801	735,757
Grants	101,194	30,000	90,000	112,530
<hr/> TOTAL	<hr/> 1,379,671	<hr/> 1,546,698	<hr/> 1,648,710	<hr/> 3,316,183
FUND TYPE				
General Fund	396,660	589,418	649,418	1,056,575
Special Fund	594,091	742,850	742,850	600,306
Federal Revenue Fund	310,706	214,430	216,442	890,044
Interdepartmental Transfer	78,214	0	40,000	769,258
<hr/> TOTAL	<hr/> 1,379,671	<hr/> 1,546,698	<hr/> 1,648,710	<hr/> 3,316,183

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Air and Waste Management**

Description of Appropriations, Divisions, & Programs

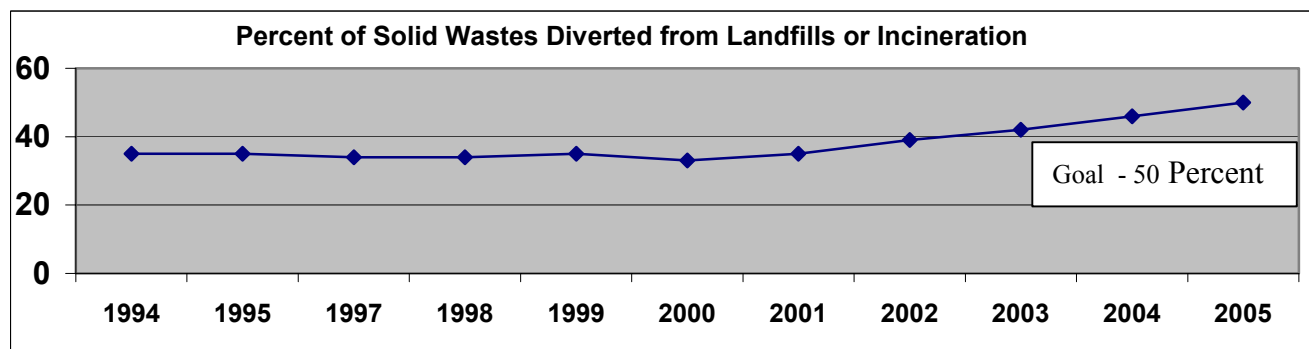
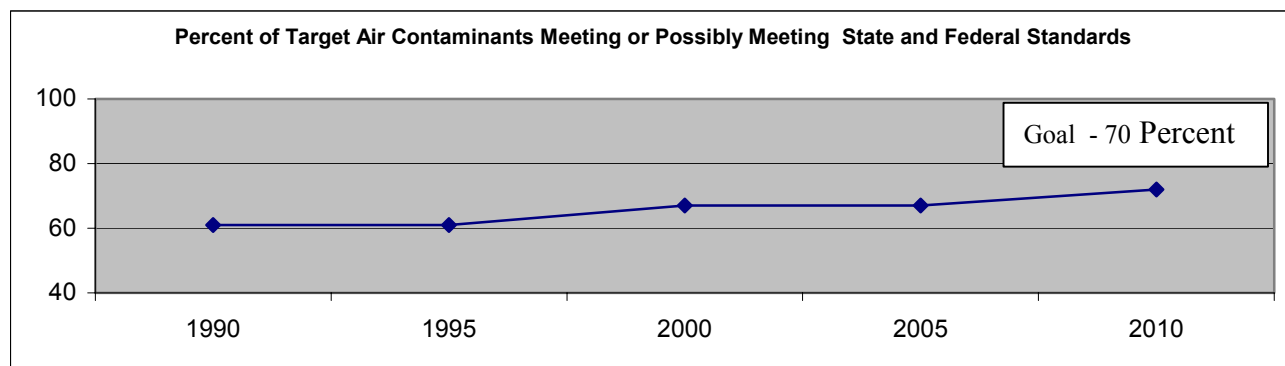
The Air and Waste Management appropriation covers the department's efforts to maintain safe air quality, to reduce waste generation, to regulate waste disposal, and to prevent and investigate accidental releases of wastes. This appropriation includes the former appropriation for Various Environmental Special Funds, such as the Petroleum Clean-up Fund, because these funds are managed by the Waste Management Division.

Performance Program Information

Results :

Protect public health and the environment through control of air quality, and hazardous and solid waste. Reduce the generation of solid and hazardous waste. Mitigate the health and environmental impacts of improper waste disposal and accidental releases of hazardous waste.

Key Indicators:



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Air and Waste Management

Story Behind the Baseline Performance:

The Air and Waste Management appropriation includes the Air Pollution Control and Waste Management Divisions, the Environmental Contingency and Petroleum Clean-up funds, and accounts used to support various environmental clean-up sites. The Air Pollution Control Division assesses risks from air pollution by monitoring air quality, modeling the movement air, and evaluating sources and controls of air pollution. Air pollution risk management is achieved through regulation of mobile and stationary sources of air pollution. The Waste Management Division promotes pollution prevention, manages solid and hazardous wastes, responds to accidental releases of hazardous materials, and oversees the clean up of contaminated sites with the use of available state and federal funds.

The Air Pollution Control Division reports on eighteen of the monitored contaminants as “priority constituents” for compliance with state and federal standards. Vermont is in compliance with the six pollutants with federal standards, and we anticipate increasing compliance with state priority constituents due to changes in pollution controls and health standards.

Vermont adopted a new Solid Waste Management Plan in 2001 and set the goal of increasing the amounts of solid wastes diverted from disposal to 50 percent by 2005 through increasing roles of reuse and recycling. Vermont Solid Waste Districts will be updating their district solid waste management plans and will include changes to increase their diversion rates. Major improvements in the diversion rate can be realized by promoting recycling and composting efforts in private citizens, businesses and commercial generators of wastes.

Strategies:

1. Education and Technical Assistance
2. Grants and Loans
3. Regulation, Compliance Assistance and Enforcement
4. Monitoring, Assessment, and Direct Services

The Air Pollution Control division uses education, technical assistance, regulation, compliance assistance, enforcement, monitoring and assessment in their Risk Assessment and Risk Management programs. The Waste Management division uses education, technical assistance, grants, regulation, compliance assistance, enforcement, monitoring and assessment in their Solid Waste, Hazardous Wastes, Underground Storage Tank, Spill Response, and Hazardous Waste Site Remediation programs.

What Do We Propose To Do To Improve Performance?

The Air Pollution Control division will continue the base programs of permitting, inspections, enforcement, monitoring and planning. Target sectors will include chrome electroplating, wood finishing and coating solvents facilities. The program will implement new rules for wood furniture manufacturing, for emissions from idling heavy-duty diesel vehicles and diesel locomotives, and update

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Air and Waste Management

rules on mobile sources of air pollution.

The Waste Management Division's Solid Waste, Hazardous Waste and Spill Response programs will continue base programs of permitting, inspections, enforcement, planning, and contaminated site clean ups. Improved permit system efficiencies will be a major focus this year along with updates to the RCRA rules.

FY2004 Key Budget Issues:

Special funds and federal funding sources are not increasing to meet annual inflationary costs. This combined with decreases in general funds results in the department not being able to fill or maintain some positions and associated work. The Department will review reorganization as a way to partially offset these funding concerns.

Performance Measures Summary Table

Performance Measures	FY00	FY01	FY02	FY03	FY 04	FY05
Air Facility Inspections	69	63	73	85	60	60
Open Burning Enforcement Actions	36	41	39	40	40	40
Underground Storage Tank Inspections	297	186	87	100	100	100
Hazardous Waste Management Inspections	98	67	76	45	45	45

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Air and Waste Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,798,496	5,072,452	5,215,182	5,562,614
Operating Expenses	650,682	1,446,107	1,446,107	5,574,221
Grants	629,523	561,500	561,500	1,594,500
<hr/> TOTAL	<hr/> 6,078,701	<hr/> 7,080,059	<hr/> 7,222,789	<hr/> 12,731,335
FUND TYPE				
General Fund	470,201	803,399	803,399	609,584
Transportation Fund	39,319	39,278	39,278	39,278
Special Fund	3,161,514	3,575,753	3,575,753	9,171,139
Federal Revenue Fund	2,362,667	2,511,629	2,654,359	2,741,334
Interdepartmental Transfer	45,000	150,000	150,000	170,000
<hr/> TOTAL	<hr/> 6,078,701	<hr/> 7,080,059	<hr/> 7,222,789	<hr/> 12,731,335

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Water Programs**

Description of Appropriations, Divisions, & Programs

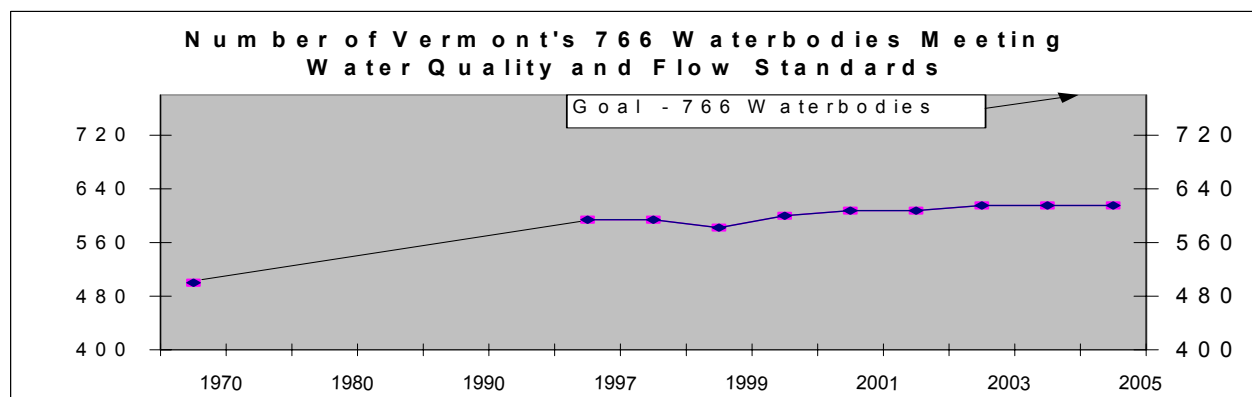
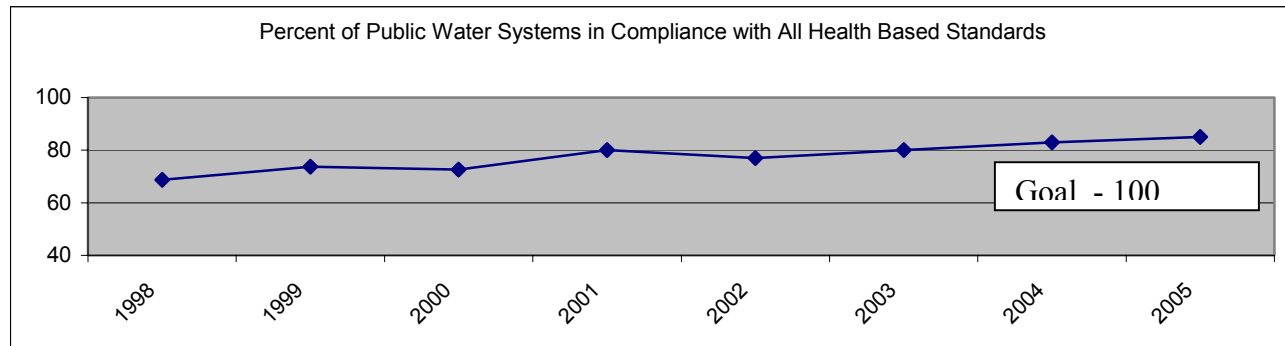
The Water appropriation supports efforts to manage Vermont's surface water, groundwater, wetlands and drinking water. This includes oversight of the facilities, operators and systems that supply public water; provide disposal of public and private wastewaters; and manage Stormwater runoff. This appropriation combines the FY 2003 performance-based budget appropriation for Surface Water and the Office of Water appropriation.

Performance Program Information

Results :

Protect public health through safe public drinking water and recreational use of surface waters. Maintain a level of surface water quality, quantity and stream morphology that supports the integrity of healthy ecosystems.

Key Indicators:



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Water Programs

Story Behind Baseline Performance:

The Office of Water Programs includes the Facilities Engineering, Water Quality, Water Supply and Wastewater Management Divisions. These divisions manage Vermont's surface water, groundwater, wetlands and drinking water. This includes the facilities, operators and systems that supply public water and provide disposal of public and private wastewaters.

Public Water Systems serve 550,000 residents and visitors in Vermont homes, schools and businesses. These systems are monitored for biological, chemical and radiological contaminants to ensure safe drinking water. Some systems also are monitored to ensure needed treatment systems are working properly. Since 1998 compliance of public community water systems has improved as a result of increased assistance provided to water systems. This included custom notices of dates when monitoring was due, publishing a listing of compliance status in a newsletter and on-site assistance.

Last year no water systems were in violation of chemical or radiological standards, or water treatment standards. Health based standards were not met for a limited number of water systems for microbiological constituents that pose a short-term health risk.

In 1957 the department began funding improvements in wastewater treatment plants and by 1990 had completed secondary treatment facilities for all plants. Since 1990, additional treatment systems have been installed to address growing public concerns about pollutants such as phosphorus. Water quality improvements are also due to the adoption of Best Management Practices for agriculture and forestry, and regulatory oversight of gravel mining, stormwater and development.

Strategies:

1. Education and Technical Assistance
2. Grants and Loans
3. Regulation, Compliance Assistance and Enforcement
4. Monitoring, Assessment, and Direct Services

These strategies are used in the division programs. The Facility Engineering division programs include Dam Safety, Wastewater Treatment Plant Financial and Planning Services, and Fish, Wildlife and Parks Engineering Services. The Water Quality programs include Flood Management, Flow and Water Level Management, Non-point Pollution Management, River Bank Protection, Storm-water Management, Lakes and Ponds, Monitoring, Watershed Planning, and Wetlands Protection. The Water Supply division programs include Public Water System Management, Groundwater Management and Well Drillers Licensing. The Wastewater Management Division programs include Land Development Permits, Biosolids Disposal Management, and Wastewater Treatment Plant Regulatory Services.

What Do We Propose To Do To Improve Performance?

The department is undertaking a program-by-program review of permitting processes to identify areas where performance can be improved. Proposed improvements will include increased use of permits by

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Water Programs

rule, general permits, providing applications on the internet, processing licensees and some permit renewals on the internet, increasing technical assistance to applicants on the internet and in person, program jurisdiction consolidation, facility permits and master permits. New efforts in public water system security and continued technical assistance to public water systems will also be implemented.

FY2004 Key Budget Issues:

Special funds and federal funding sources are not increasing to meet annual inflationary costs. This combined with decreases in general funds results in the department not being able to fill or maintain some positions and associated work. The Department will review reorganization as a way to partially offset these funding concerns.

Performance Measures Summary Table

Performance Measures	FY00	FY0 1	FY0 2	FY0 3	FY0 4	FY0 5
Percent of public water systems served by certified operators	97.7	98.4	99	99	99	99
Percent of public water systems with approved source protection plans	55	63	76	84	86	88
Percent of Vermont's 766 water bodies on the E list (exotic species impaired)	5.7	5.7	<6	<6	<6	<6
Number of storm water permits issued	47	62	62	62	62	62
Percent of 62 hydropower segments meeting flow standards	29	29	55	65	68	72
Number of 17 basins assessed under the rotational watershed assessments	1	2	3	3	4	4
Number of Regional Office Permits issued	3071	3358	3400	4000	4000	4000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	9,146,375	5,046,739	5,197,480	10,116,516
Operating Expenses	1,137,963	1,001,647	1,001,647	2,104,390
Grants	2,256,296	912,000	912,000	2,304,918
<hr/> TOTAL	<hr/> 12,540,634	<hr/> 6,960,386	<hr/> 7,111,127	<hr/> 14,525,824
FUND TYPE				
General Fund	3,377,764	2,577,422	2,639,761	5,164,285
Transportation Fund	355,873	0	0	189,411
Special Fund	2,139,770	1,869,038	1,869,038	2,794,398
Federal Revenue Fund	6,089,600	2,064,798	2,153,200	5,829,401
Interdepartmental Transfer	577,627	449,128	449,128	548,329
<hr/> TOTAL	<hr/> 12,540,634	<hr/> 6,960,386	<hr/> 7,111,127	<hr/> 14,525,824

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Var Environmental Special Funds

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	337,061	0	250,000	0
Operating Expenses	6,662,370	0	4,560,071	0
Grants	445,084	4,957,783	1,218,000	0
<hr/> TOTAL	<hr/> 7,444,515	<hr/> 4,957,783	<hr/> 6,028,071	<hr/> 0
FUND TYPE				
Special Fund	7,444,515	4,957,783	6,028,071	0
<hr/> TOTAL	<hr/> 7,444,515	<hr/> 4,957,783	<hr/> 6,028,071	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Surface Water

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	4,683,175	5,182,371	0
Operating Expenses	0	963,619	963,619	0
Grants	0	1,961,859	2,040,179	0
<hr/> TOTAL	<hr/> 0	<hr/> 7,608,653	<hr/> 8,186,169	<hr/> 0
FUND TYPE				
General Fund	0	2,943,725	2,993,725	0
Transportation Fund	0	181,762	186,939	0
Special Fund	0	537,682	991,002	0
Federal Revenue Fund	0	3,486,696	3,555,715	0
Interdepartmental Transfer	0	458,788	458,788	0
<hr/> TOTAL	<hr/> 0	<hr/> 7,608,653	<hr/> 8,186,169	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Board and Dist Comm**

Department Mission Statement

The mission of the Environmental Board is to provide a public, quasi-judicial process for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont. Specific program objectives of Act 250 include: 1) assuring thorough review of each Act 250 permit application under the requirements of statutory criteria; 2) performing permit review as expeditiously as possible; 3) providing assistance to applicants and other parties in preparation for their participation in Act 250 proceedings; 4) providing an appellate forum for decisions by district commissions and issuing decisions and declaratory rulings; 5) assisting permittees in maintaining compliance with permit terms and conditions; 6) enforcing the requirements of Act 250 permits and the statute.

The Waste Facility Panel is a panel of the Vermont Environmental Board. It is authorized to decide appeals from determinations by the Secretary of the Agency of Natural Resources (ANR) relating to solid and hazardous waste management facilities. The Waste Facility Panel also decides Act 250 appeals from the district environmental commissions which relate to solid waste management facilities. When there is an appeal of both an ANR determination and an Act 250 decision, the appeals are consolidated before the Waste Facility Panel.

Description of Appropriations, Divisions, & Programs

Department Purpose and Activities

Created to administer Act 250 in 1970, the Environmental Board and District Commissions provide a public, quasi-judicial process for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont. Specific program objectives of Act 250 include: 1) assuring thorough review of each Act 250 permit application under the requirements of statutory criteria; 2) performing permit review as expeditiously as possible; 3) providing assistance to applicants and other parties in preparation for their participation in Act 250 proceedings; 4) providing an appellate forum for decisions by district commissions and issuing decisions and declaratory rulings; 5) assisting permittees in maintaining compliance with permit terms and conditions; 6) enforcing the requirements of Act 250 permits and the statute. The Board is comprised of a nine member panel appointed by the Governor including a full time Chair of the Board. Each of the nine district commissions is comprised of three members with up to four alternates also appointed by the Governor. The Chair of the Board, as a full time salaried employee, has responsibility for the administration of the entire Act 250 program.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Board and Dist Comm

Waste Facility Panel

The Waste Facility Panel of the Environmental Board was created in 1991 to hear appeals of all state permit decisions relating to solid and hazardous waste. The Panel is made up of five members appointed by the Governor. The Chair of the Environmental Board serves as Chair of the Panel. Members of the Panel may also serve as Alternates on Act 250 appeals before the Environmental Board.

Performance Program Information

**FY 2004: Environmental Board Act 250 Review Process -
Performance Narrative**

I. The Environmental Board's Market: Land use decisions by the Board and the district commissions can affect the entire population of the State of Vermont through the mitigation of environmental impact and by assuring that quality development will occur in the State. Those who are most directly affected include applicants in the Act 250 process, adjoining property owners to development, state, regional and local entities and members of the general public. The Board and the District Commissions process approximately 600 applications per year for Act 250 permits. More than 98% of permit decisions result in project approval, less than 2% are denied. However, many projects are altered to some degree to mitigate the environmental impacts through a comprehensive development review process.

II. The Outcomes: It is difficult to quantify the quality of life in Vermont which may be directly attributable to the existence of strong environmental laws in the State including Act 250. Recent public opinion surveys have indicated strong support for a clean environment and maintenance of Vermont's quality of life. These important values are protected and enhanced through application of the ten criteria of Act 250. The outcomes of a successful Act 250 process include clean air, water and soil; safe drinking water; clean streams and waterways; a safe and efficient transportation system; uncrowded schools; efficient delivery of government services; protection of primary and secondary agricultural soils, and public investments; energy conservation; and assurance that large development projects will be in compliance with local and regional plans. Act 250 provides a comprehensive development review process which depends upon open public participation.

III. How Will The Outcomes Be Achieved: The Environmental Board, acting in a quasi-judicial capacity, hears appeals from land use decisions issued by nine district environmental commissions. The commissions process approximately 600 applications per year. Less than 5% of all district commission decisions are

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Board and Dist Comm

appealed each year. The vast majority of land use issues are resolved on the local level. However, many large, controversial cases come to the Board which will then apply legal precedent to guide its efforts in resolving important issues which will have an impact on the quality of life in the State of Vermont. The Board sets policy for the Act 250 program through its land use decisions and overall administration of the program. Program objectives are primarily achieved in these two ways.

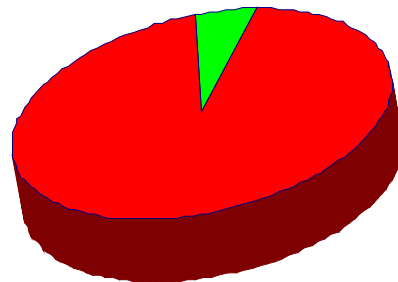
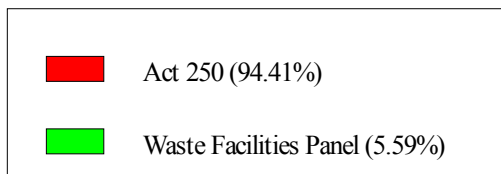
IV. Productivity and Efficiency: The Environmental Board and the district commissions have made great strides in recent years in an effort to increase the level of productivity and efficiency in the program. Performance standards have been established in order to ensure the timely processing of permit applications, as well as appellate review. District Commissions now process nearly 80% of all permit applications in 90 days; and, the Board has set a performance standard of 180 days for processing appeals from district commission decisions. The Board has placed a much stronger emphasis on caseload management techniques, improved internal statistical tracking systems and the use of integrated shell documents. In FY 2002, a new three year Mediation Pilot Project has been instituted to help resolve the more contentious Act 250 cases. Legislative Reports are due in each of the three years of the Pilot Project authorized by Act 40 of the 2002 Vermont Legislature. Although we have made great strides, the work of improving the process is of a continuing nature.

V. Summary: Although it is difficult to quantify the success of the program in meeting qualitative objectives identified above, we continue to work on improving permit processing times and review times for cases on appeal, as well as the quality of land use decisions. This can be best achieved through caseload management strategies and improved training programs for Board members, staff and district commissioners. The Environmental Board is in a continuing process of improving its internal tracking systems to provide better information for comparative analysis. In addition, the Board is continually engaged in developing strategies to make the overall review and appellate processes more efficient and expedient while maintaining the quality of review and public participation. Performance standards have already been developed to guide the district commissions and Board efforts during appellate review. The success of these changes can now be measured and quantified through these improved tracking systems.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Environmental Board and Dist Comm

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Act 250	32	2,220,714	2,246,046	2,326,959	2,365,104
Waste Facilities Panel	0	135,496	135,000	137,843	140,000
<hr/> TOTAL	<hr/> 32	<hr/> 2,356,210	<hr/> 2,381,046	<hr/> 2,464,802	<hr/> 2,505,104
FUND TYPE					
General Fund		842,440	809,045	839,792	779,728
Special Fund		1,513,770	1,572,001	1,625,010	1,725,376
<hr/> TOTAL		<hr/> 2,356,210	<hr/> 2,381,046	<hr/> 2,464,802	<hr/> 2,505,104



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Act 250

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,787,037	1,886,387	1,967,300	1,986,948
Operating Expenses	410,677	359,659	359,659	378,156
Grants	3,000	0	0	0
Land Structures & Improve Budg	20,000	0	0	0
<hr/> TOTAL	<hr/> 2,220,714	<hr/> 2,246,046	<hr/> 2,326,959	<hr/> 2,365,104
FUND TYPE				
General Fund	842,440	809,045	839,792	779,728
Special Fund	1,378,274	1,437,001	1,487,167	1,585,376
<hr/> TOTAL	<hr/> 2,220,714	<hr/> 2,246,046	<hr/> 2,326,959	<hr/> 2,365,104

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Waste Facilities Panel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	119,922	119,344	122,187	127,214
Operating Expenses	15,574	15,656	15,656	12,786
<hr/> TOTAL	<hr/> 135,496	<hr/> 135,000	<hr/> 137,843	<hr/> 140,000
FUND TYPE				
Special Fund	135,496	135,000	137,843	140,000
<hr/> TOTAL	<hr/> 135,496	<hr/> 135,000	<hr/> 137,843	<hr/> 140,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board

Department Mission Statement

The mission of the Water Resources Board is to ensure that rules which guide the management of Vermont's water resources and wetlands are adopted, and (on appeal) are interpreted, by a citizen board, which is independent of the Agency of Natural Resources (ANR). The Board provides meaningful citizen involvement and oversight in the adopting and implementation of Vermont's water resource management and wetland protection policies and provides for an administrative appeal from related regulatory decisions of the ANR. The protection of water quality, resolution of conflicting uses of public waters, the designation and protection of significant wetlands and the designation of outstanding resource waters in a manner consistent with the public interest and applicable state and federal law are the major results toward which the Board's activities are directed.

Performance Program Information

FY 04 Water Resources Board Performance Narrative

I. The Water Resources Board's Market:

Board decisions can affect the entire population of the State of Vermont. Those most directly affected are: (a) persons seeking federal permits where a certification of compliance with Vermont water quality laws is required under the federal Clean Water Act including but not limited to water withdrawals for snowmaking or the relicensing of hydroelectric facilities or (b) persons seeking to discharge wastes directly or indirectly into waters of the state, including municipalities, some industries, shoreland and riparian property owners, (c) persons owning or seeking to protect or to develop in or near significant wetlands, (d) persons seeking to resolve conflicts between competing recreational and other uses of public waters, and (e) parties in interest under twelve (12) separate regulatory programs related to water resource management administered by the ANR . See III below

II. The Outcomes:

Since the mid-1980's, the Board's responsibilities and therefore its workload has expanded significantly. During this same period, the diversity and complexity of the policy and legal issues, which this Board must address, have increased substantially, a trend, which shows no sign of abatement. The Board anticipates 30-35 meetings and 35-45 hearings in FY 04'. An increase in rulemaking activity is expected in FY04 as a result of anticipated requests to amend the Vermont Water Quality Standards based from the Agency of Natural Resources. The Agency issued at least one basin plan in FY03. The basin plans are implemented through amendments to the VWQS, which will occur in FY04.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board

III. How Will The Outcomes Be Achieved:

The Board meets approximately 30-35 times per year and conducts between 35 and 45 hearings annually, including prehearing conferences, to carry out its duties. Some of those hearings are conducted by individual Board members or the Board's staff acting as hearing referee. The Board establishes water resource management policy by adopting rules in the following areas: (a) the Vermont Water Quality Standards including the classification of all surface waters (10 VSA Chapter 47), (b) Rules regulating the use of public waters primarily to resolve conflicts between competing recreational uses (10 VSA § 1424), (c) Rules creating the process and criteria for the designation and protection of "significant" wetlands (10 VSA § 905 (7-9)), (d) Rules regulating the surface level of public waters (10 VSA § 905 (2)). The Board, acting as a quasi-judicial body, hears appeals from decisions of the Agency under the following authorities: 3 VSA § 2873(c) (Subdivisions, Public Buildings, Mobile Home Parks, Tent and Travel Trailers Campgrounds); 10 VSA § 1024 (§ 401 Certifications and Stream Alterations); 10 VSA § 1099 (Dams); 10 VSA § 1269 (Discharge and Water Quality Certifications); 10 VSA § 1400 (Well Drillers Licenses); 10 VSA § 1629 (Municipal Water and Sewer Grants); 29 VSA § 406 (Encroachments). Occasionally former Board members are appointed as acting Board members to insure that cases are heard by a full panel of five Board members. The Board also acts on petitions to designate outstanding resource waters (10 VSA § 1424a) and to classify wetlands as significant or nonsignificant (10 VSA § 905 (8)).

IV. Productivity and Efficiency:

Because it utilizes the skills and experience of its citizen members at very little cost to the state, the Board is a highly productive and efficient component of state government. The Board has adopted performance standards modeled on those currently used by the Environmental Board. The Board staff meets periodically to review the status of all pending rulemaking and contested case proceedings. In addition, all Board members are provided with a status report on all pending rulemaking contested cases and Board initiatives at each regular Board meeting.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Water Resources Board	8	334,319	318,178	326,889	315,745
TOTAL	8	334,319	318,178	326,889	315,745
FUND TYPE					
General Fund		334,319	318,178	326,889	315,745
TOTAL		334,319	318,178	326,889	315,745

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board**

Description of Appropriations, Divisions, & Programs

The Water Resources Board's (WRB) budget consists of personal services expenses to support four full time staff members and per diems for the five member citizen Board and an operating budget that funds the activities of the five member citizen Board. The Water Resources Board (WRB) total budget is \$314,251. This is down from \$323,892 that was appropriated in FY03, prior to the rescission that brought the Board's FY03 appropriation down to \$318,178.

All of the work that the WRB engages in is mandated by statute and driven by petitions for rulemaking and appeals filed by members of the public with the Board. The Board's \$42,300 operating budget pays for rent, postage, mail, travel telephone and other expenses related to hearing appeals filed with the Board and implementing rulemaking requests filed by the public.

Requests for rulemakings are anticipated to rise in FY04 due to the Agency of Natural Resources recent basin planning efforts. The basin plans include recommendations that the Board amend the Vermont Water Quality Standards (VWQS) to make the standards consistent with the plans. This will result in a request to amend the VWQS in FY04. The last time the VWQS were amended was in FY 99.

In addition to amending the VWQS the WRB annually receives requests to amend the state's Use of Public Waters rules. The WRB anticipates several such requests in FY04. Board expenses for advertising, per diems, travel etc. will increase with the increase in rulemaking activity.

The Board appeals work rose from 10 appeals filed in FY02 to 19 appeals filed in FY03. As with rulemakings, the Board's budget must cover travel, per diems and other meeting expenses associated with hearing appeals.

Appropriation Key Budget Issues

The Water Resources Board's (WRB) budget consists of personal services expenses to support four full time staff members, per diems for the five member citizen Board and an operating budget that funds the activities of the WRB. The Water Resources Board (WRB) total FY04 budget is \$314,251. This is down from \$323,892 that was appropriated in FY03, prior to the rescission that brought the Board's FY03 appropriation down to \$318,178. While the WRB should be able to function within the \$314,251 target amount for FY04, it will be difficult to absorb further reductions in its budget without either reducing staff or reducing the expenses incurred by Board members by cutting back on the number of meetings held and rulemaking petitions considered by the Board.

The bulk of the WRB's \$314,251 dollar budget is personal expenses. The salaries and benefits of the four Board staff members make up \$273,747 of the entire budget. In addition, Board per diems make up

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board

\$8,210 of the budget. The WRB is proposing to reduce the appropriation for per diems from \$9,000 in FY03 to \$8,210 in FY04. While the WRB should be able to absorb this reduction, further reductions may result in less meetings the Board can hold. This could result in an increase in the amount of time it takes the WRB to render decisions in appeals and process rulemaking petitions.

The Board has a very small operating budget and very little discretion make cuts to its operating budget. The total proposed operating budget for FY 04 is \$42,300. The Board's rent totals more than half this amount (\$22,246). The rent is a fixed cost that is locked in pursuant to a lease agreement.

The other significant portions of the WRB operating budget are travel, \$4,500 for FY04 and advertising, \$5,000 for FY04. The WRB is proposing to level fund the travel appropriation from FY03 in anticipation of increased appeals and rulemaking petitions. The Board proposes to increase its advertising budget \$1,400 in FY04 to account for fixed advertising costs charged by the Secretary's of State's office for rulemaking advertising.

In sum, the Board has structured its budget to meet its FY04 target. However, it will not be able to absorb further cuts without reducing staff or Board activity.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Water Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	281,672	275,670	284,381	272,751
Operating Expenses	47,647	42,508	42,508	42,994
Land Structures & Improve Budg	5,000	0	0	0
<hr/> TOTAL	<hr/> 334,319	<hr/> 318,178	<hr/> 326,889	<hr/> 315,745
FUND TYPE				
General Fund	334,319	318,178	326,889	315,745
<hr/> TOTAL	<hr/> 334,319	<hr/> 318,178	<hr/> 326,889	<hr/> 315,745

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

Agency Mission Statement

To support job creation and a strong and diverse economy, to promote the development of housing that is affordable to all Vermonters, to preserve Vermont's heritage and promote vibrant communities.

Description of Departments in Agency

DIVISION OF ADMINISTRATION:

Administration consists of the Office of the Agency Secretary, the Administrative Services Division, and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. The Vermont Economic Progress Council is an arm of the Division. Effective in FY 04, the Division is also responsible for coordinating the marketing activities of 17 state agencies and departments through the work of the Marketing and Promotional Partnership (M.A.P.) group.

HOUSING AND COMMUNITY AFFAIRS:

The Department of Housing and Community Affairs serves Vermont's regions, municipalities, housing development organizations and historic preservation through six principal functions: 1) administration of state and federal grant programs; 2) provision of technical assistance; 3) implementation of state housing, planning and community development policy; 4) implementation of state and federal housing, planning and community development statutes; 5) identifies, protects, interprets, promotes, and enhances the economic and educational value of historic, architectural, and archeological resources for the people and communities of Vermont; 6) manages, maintains, operates and interprets the State-owned Historic Sites with an ongoing objective on increasing historic, educational and economic value to Vermont citizens and tourists.

ECONOMIC DEVELOPMENT

The Department of Economic Development provides support of businesses and job creation by assistance in finance, permitting, foreign trade, export finance, business recruitment/expansion, government marketing, captive insurance, financial services development, and support of regional economic development efforts to foster a healthy business climate.

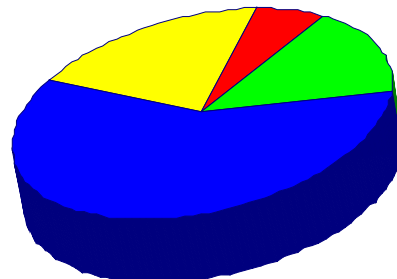
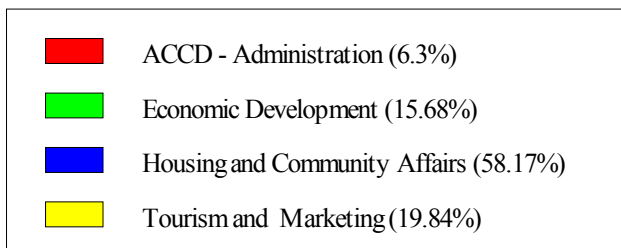
TOURISM AND MARKETING

The Department of Tourism and Marketing promotes Vermont as a travel destination in order to maintain a diverse and healthy economy. This is accomplished through the development and implementation of a comprehensive marketing plan that integrates programs for public and trade relations, advertising, research and evaluation, and publicity support of industry. Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, work and live.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
ACCD - Administration	15	1,443,411	1,748,708	1,706,808	1,946,659
Housing and Community Affairs	41	19,944,923	20,291,163	20,829,735	17,973,973
Economic Development	16	3,803,025	3,926,930	4,361,263	4,846,148
Tourism and Marketing	32	6,135,089	5,881,462	6,470,299	6,130,085
TOTAL	104	31,326,448	31,848,263	33,368,105	30,896,865
FUND TYPE					
General Fund		11,236,109	11,548,853	11,999,003	12,918,470
Special Fund		4,475,021	5,279,803	5,771,128	6,300,345
Federal Revenue Fund		14,160,196	13,426,247	13,542,493	10,060,952
Enterprise Fund		654,704	825,000	825,000	825,000
Interdepartmental Transfer		800,418	768,360	1,230,481	792,098
TOTAL		31,326,448	31,848,263	33,368,105	30,896,865



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
ACCD - Administration

Department Mission Statement

The mission of the Division of Administration is to: coordinate agency-wide efforts to achieve the Governor's and Legislature's policy and statutory objectives in the areas of economic development and job creation, housing, planning, archeological research and preservation of historic buildings and sites. The Division has lead responsibility for supporting the Governor's legislative program as it pertains to the subject areas.

Description of Appropriations, Divisions, & Programs

Administration is made up of the Secretary's Office, Administrative Services, and legal staff. The Division is responsible for overall agency, human resources, budget, and information technology management, as well as legislative initiatives.

Administration encompasses the Vermont Economic Progress Council (VEPC) which was established in 1994 as an independent body to form a long-term economic planning group for the state. The Council is charged with creating, maintaining and participating in the implementation of a ten-year economic development plan for Vermont and annually reporting to the Governor and the General Assembly with recommendations to implement that plan. In March 1998 VEPC was also given the responsibility of implementing and administering the Economic Advancement Tax Incentive program, a comprehensive set of income, sales, and property tax incentives to stimulate the growth of new, well-paying jobs and investment in Vermont by expanding Vermont companies and companies new to Vermont.

Administration also encompasses the Vermont Sustainable Jobs Fund that works with businesses and economic development entities to create and retain quality jobs throughout the state while protecting and enhancing the state's environment and developing sustainable economies in Vermont's communities.

In FY04 responsibility for coordinating state marketing by the state government partners (or M.A.P. Team -17 existing partners) will be transferred from the Department of Tourism and Marketing to the Secretary of the Agency of Commerce and Community Development. In 1996 the Legislature passed S.311 with the understanding that all agencies and departments of state government were facing similar marketing challenges in an increasingly competitive environment. In passing S.311, the Vermont general assembly realized that building competitive marketing expertise would require the refocusing of all state marketing resources in a cooperative campaign that utilized the most modern tools available.

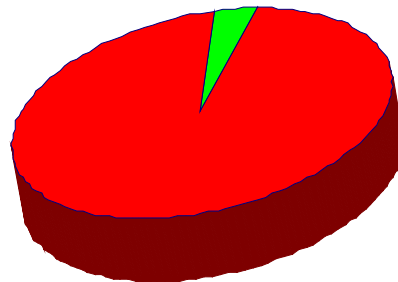
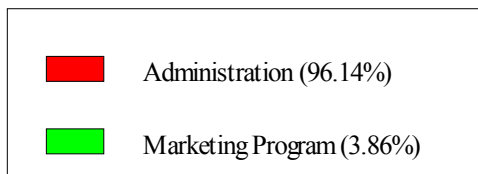
Appropriation Key Budget Issues

Issues confronting the Administration Division are similar to those facing other state agencies and departments. Inflationary increases for rent, information technology and benefits are often difficult budget challenges to meet. Cost control measures have been put in place and we continue to explore ways to increase the efficiency and effectiveness of the entire Agency and the programs we administer.

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
ACCD - Administration**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Administration	15	1,443,411	1,748,708	1,706,808	1,871,498
Marketing Program	0	0	0	0	75,161
<hr/> TOTAL	<hr/> 15	<hr/> 1,443,411	<hr/> 1,748,708	<hr/> 1,706,808	<hr/> 1,946,659
FUND TYPE					
General Fund		1,423,901	1,683,210	1,706,808	1,880,553
Interdepartmental Transfer		19,510	65,498	0	66,106
<hr/> TOTAL		<hr/> 1,443,411	<hr/> 1,748,708	<hr/> 1,706,808	<hr/> 1,946,659



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,042,810	1,011,593	964,693	1,167,656
Operating Expenses	400,601	499,027	504,027	485,754
Grants	0	238,088	238,088	218,088
<hr/> TOTAL	<hr/> 1,443,411	<hr/> 1,748,708	<hr/> 1,706,808	<hr/> 1,871,498
FUND TYPE				
General Fund	1,423,901	1,683,210	1,706,808	1,805,392
Interdepartmental Transfer	19,510	65,498	0	66,106
<hr/> TOTAL	<hr/> 1,443,411	<hr/> 1,748,708	<hr/> 1,706,808	<hr/> 1,871,498

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Marketing Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	0	0	69,922
Operating Expenses	0	0	0	5,239
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 75,161
FUND TYPE				
General Fund	0	0	0	75,161
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 75,161

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Department Mission Statement

Mission Statement: To promote the production of housing that is affordable to all Vermonters, to preserve Vermont's heritage and promote vibrant communities.

Description of Appropriations, Divisions, & Programs

The Department of Housing & Community Affairs offers a wide range of programs to support sustainable development of Vermont Communities:

- Preservation of Vermont's historic downtowns and village centers.
- State-owned historic sites and archeological resources.
- The Vermont Community Development Program.
- Local and regional land use planning.
- State housing policy, including the mobile home park program.

The Vermont Downtown Program (VDP) supports community efforts to strengthen downtowns and village centers through training and technical assistance. In the 2002 Downtown Development Act, the Legislature added a new process to designate village centers and new town centers. They also created tax credit incentives for historic buildings within the village centers.

As we approach the end of 2002 there are 14 designated downtowns in the state, with almost 25% of the state's population living in those communities: Barre, Bellows Falls, Bennington, Brattleboro, Burlington, Middlebury, Montpelier, Poultney, Randolph, Rutland, St. Johnsbury, Springfield, Vergennes and Windsor. Several more communities are working toward designation in 2002. The Legislature has also strongly supported the VDP through the creation of the Downtown Transportation and Related Capital Improvement Fund, and the tax credits for rehabilitation of historic buildings. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements.

The Division for Historic Preservation also conducts environmental reviews of developments which impact the state's historic resources, administers the state's historic preservation grant programs, maintains the National Register of Historic Places, and administers the federal historic tax credit. Vermont is a national leader in its use of this federal tax incentive.

State-Owned Historic Sites now total 26 sites with 95 buildings, bridges and underwater shipwrecks. Three of the sites have been designated as National Historic Landmarks: President Calvin Coolidge Historic Site, the Justin S. Morrill State Historic Site, and Mt. Independence. Ten sites are open to the public attracting over 100,000 visitors each year. Revenues from gift shop sales, donations and rentals provide 55% of the operating support for these sites.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Applications from municipalities to the **Vermont Community Development Program (VCDP)** greatly outstrip the available grant resources each year. VCDP is funded at a level of \$8.5M annually through the federal Community Development Block Grant program. Grants are made directly to municipalities for vital community development projects, such as affordable housing, economic development, and public facilities such as daycare centers.

The lack of housing stock in many regions of the state has led to escalating home prices and rents; a Vermont family must earn \$13.21/hour, twice the minimum wage, to afford a typical two bedroom apartment. The Upper Valley Housing Needs Analysis, released in November 2001, shows a serious shortage of both rental and ownership units in the region over the next ten years-similar to the results of the six-county Northwestern Housing Study. **The Housing Division** is working diligently to steer all available resources to address the state's housing crisis. Additionally, the Division administers the state's mobile home park program; in 2002, staff assisted residents and owners of more than 15 parks going through the sales or closure process.

The Planning Division provides technical assistance to local and regional officials on smart growth planning tools and administers the Municipal Planning Grant Program (\$753,984 in 2003) and state funding for the 12 Regional Planning Commissions (\$2.6M in 2003). In 2000 the U.S. Environmental Protection Agency awarded a three year \$250,000 Sustainable Development Challenge Grant to the Division to fund the work of state and local partners to develop conservation and development plans for land at interstate exchanges.

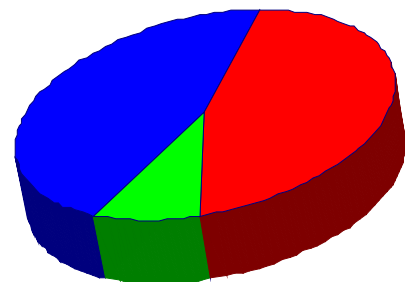
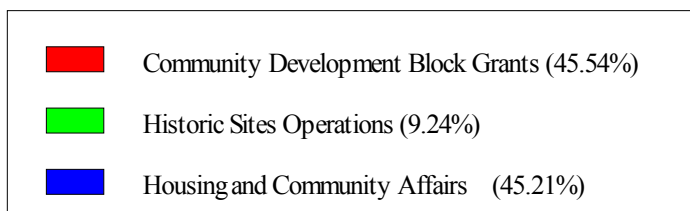
Appropriation Key Budget Issues

The Department continues to struggle with the ever-increasing need to balance the steady drain of federal dollars through the Community Development Block Grant Program with the needs of Vermont's Communities. This challenge has been met in the past with other federal funds, but it appears this will be an ongoing and growing problem. We also continue to struggle with the reduction of federal dollars from the National Park Service, funding 67% of our Historic Preservation Division's budget.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Housing and Community Affairs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Housing and Community Affairs	36	9,546,315	10,096,726	10,623,619	8,126,931
Historic Sites Operations	5	871,549	1,631,367	1,643,046	1,661,302
Community Development Block Grants	0	9,527,059	8,563,070	8,563,070	8,185,740
	41	19,944,923	20,291,163	20,829,735	17,973,973
TOTAL					
FUND TYPE		1,811,061	1,817,298	1,864,559	1,893,217
General Fund		4,111,204	4,789,274	5,280,599	5,762,486
Special Fund		13,992,974	13,257,572	13,257,558	9,892,278
Federal Revenue Fund		29,684	427,019	427,019	425,992
Interdepartmental Transfer					
		19,944,923	20,291,163	20,829,735	17,973,973
TOTAL					



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Housing and Community Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,127,459	2,150,666	2,215,954	2,249,428
Operating Expenses	238,388	284,897	285,176	298,932
Grants	7,180,468	7,661,163	8,122,489	5,578,571
<hr/> TOTAL	<hr/> 9,546,315	<hr/> 10,096,726	<hr/> 10,623,619	<hr/> 8,126,931
FUND TYPE				
General Fund	1,382,579	1,418,257	1,453,839	1,483,865
Special Fund	3,697,821	4,263,317	4,754,642	5,236,528
Federal Revenue Fund	4,465,915	4,394,502	4,394,488	1,406,538
Interdepartmental Transfer	0	20,650	20,650	0
<hr/> TOTAL	<hr/> 9,546,315	<hr/> 10,096,726	<hr/> 10,623,619	<hr/> 8,126,931

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Historic Sites Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	563,210	555,237	566,916	567,380
Operating Expenses	308,339	1,076,130	1,076,130	1,093,922
<u>TOTAL</u>	<u>871,549</u>	<u>1,631,367</u>	<u>1,643,046</u>	<u>1,661,302</u>
FUND TYPE				
General Fund	428,482	399,041	410,720	409,352
Special Fund	413,383	525,957	525,957	525,958
Federal Revenue Fund	0	300,000	300,000	300,000
Interdepartmental Transfer	29,684	406,369	406,369	425,992
<u>TOTAL</u>	<u>871,549</u>	<u>1,631,367</u>	<u>1,643,046</u>	<u>1,661,302</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	9,527,059	8,563,070	8,563,070	8,185,740
TOTAL	9,527,059	8,563,070	8,563,070	8,185,740
FUND TYPE				
Federal Revenue Fund	9,527,059	8,563,070	8,563,070	8,185,740
TOTAL	9,527,059	8,563,070	8,563,070	8,185,740

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Economic Development

Department Mission Statement

Mission Statement: To lead and coordinate agency-wide efforts to attract new businesses and jobs to the state, while maximizing resource allocation to support existing businesses.

Department Goal: Support creation and retention of quality jobs and strengthen competitiveness of Vermont's businesses and overall economy.

Outcomes: The following section is meant to identify desired outcomes for a cohesive economic development strategy for Vermont. Progress will be measured against a set of primary indicators, meant to be a tool to quantify statewide economic performance. These benchmarks also will provide interested groups and citizens with facts and figures on key issues that will facilitate public understanding of the important economic development issues. In order to be consistent with the Agency's strategic economic development plan, this system of state-wide benchmarks relate directly back to three primary goals: creating quality jobs; facilitating competitive business; and encouraging sustainable development objectives.

1. Increase average annual pay. Increase Vermont's average wage versus the national and New England regional average wage.
2. Balance regional participation in economic advancement. Achieve balanced economic growth to assure that Vermonters are sharing proportionately in the state's economic prosperity.
3. Increase relative productivity of Vermont workers. Increase the productivity of Vermont workers to achieve and sustain a rate matching the leading regional performer and one higher than national average.

Strategies: The Department has formulated core economic development strategies to guide specific policies and programs. They are intended to encourage resource allocation toward those areas that have the greatest impact on our desired outcomes. They represent a starting point meant to be continually reviewed, refined, and occasionally redefined through public outreach and input.

Strategy 1 - Enhance service delivery and improve access to and awareness of economic development resources. Economic Development is essentially a service business where solutions are delivered through a complex network of service providers. Without a fully integrated, streamlined delivery system, complexity leads to underutilization of services and unmet customer expectations. Beyond simple efficiencies, a "culture of service" will stimulate collaborative partnerships and a widespread commitment for expanded employment opportunities for Vermonters.

Strategy 2 - Develop local, domestic and international market opportunities for Vermont businesses and products. In an increasing global, information-driven economy, Vermont's long-term economic health and competitiveness is dependent on our businesses' ability to successfully compete and develop new

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Economic Development

markets. Therefore, programs that help businesses develop markets locally and/or globally are important elements of Vermont's economic development strategy.

Strategy 3 - Achieve continuous improvements in business climate and overall economy. In the so-called "new world" of economic development policy, practical realities clearly indicate the need to remain cost-competitive, especially for pro-active business retention programs. In order to make investments in an economy, businesses must feel that the climate is certain, predictable, competitive and supportive. With the ever-changing nature of a global economy, maintaining a supportive business climate must be a continuous endeavor and an unwavering commitment.

Strategy 4 - Foster the development of a high skilled work force. When assessing our core capacities for sustained economic activity, the workforce is clearly our most important resource. A strong "work ethic" is no longer enough to maintain a competitive advantage. Today employers are looking for people who can not only apply their acquired knowledge, but can also develop new skills and capacities to meet the needs of an ever-changing global market.

Strategy 5 - Develop and implement key industry segment strategies. This strategy involves implementing a view of the economy that is consistent with the way businesses view themselves: as members of a particular industry or sector. This is fundamental to a market-driven approach where public programs and assistance are organized to meet the needs of businesses rather than for the convenience of those who are providing services. The strategic rationale is grounded in the economic reality that all jobs are not created equal when it comes to strengthening and improving the state's economic base and performance. Since public resources for economic development are limited, rational choices must be made about the greatest benefit for the expenditure of scarce resources. The key industries targeted in this approach are: natural products; technology; manufacturing; and financial services.

Description of Appropriations, Divisions, & Programs

Programs by Appropriation:

Administration: Oversees the human, technical, and financial resources of the department. Administers the grant programs and Regional Development Corporations. Provides public outreach via media, partnerships, seminars, and direct client contact.

Business Support & Expansion: Assists new or expanding companies to operate in Vermont through locating facilities, financing, entrepreneurship, and permit expedition by direct client interaction and partnership with the Regional Development Corporations.

Financial Services: Financial Services Development seeks to promote Vermont's top position as a U.S.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Economic Development

captive domicile, and seek out new and diversified opportunities within financial services.

Government Marketing Assistance Center (GMAC): Responsible for generating contract bid opportunities from federal, state, and local governments, and private sector organizations for Vermont service and manufacturing firms. Program maintains an electronic bulletin board to promote Vermont business networking and to provide informational resources. Program maintains the government bid board.

Labor Training: Responsible for the Vermont Training Program that assists firms in the training of new and existing employees. ISO 9000 training classes are also offered to Vermont employers.

Appropriation Key Budget Issues

Key Budget Issues

DED's FY04 budget is based on level-funding our FY03 appropriation. The administration is requesting an increase of \$865,000 to this base outlined below. DED's level-funded budget will still have an impact to some of the day-to-day operations and programs at the department due to the fact that the increase is targeted to specific areas. However, the requested increase to the baseline will focus department resources in the areas which will have the most impact for economic development.

The additional funding requests will be allocated as follows:

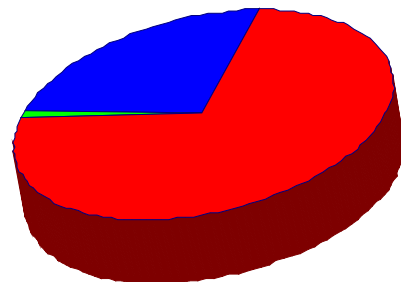
Targeted Business Recruitment	
a. Upgrade ThinkVermont.com website	\$90,000
b. Regional sites and buildings inventory	60,000
c. Other recruitment activity	250,000
New Mentoring Program (increase grants to SBDC)	10,000
Vermont Training Program (increase in grants)	435,000
Expand Canadian Trade (increase in World Trade Office grant)	20,000
Total new funds requested	\$865,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Economic Development

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Economic Development	15	2,913,140	3,126,579	3,311,825	3,604,197
Vermont Training Program	1	830,144	749,384	988,426	1,184,088
Job Development Zones	0	59,741	50,967	61,012	57,863
TOTAL	16	3,803,025	3,926,930	4,361,263	4,846,148
FUND TYPE					
General Fund		3,332,986	3,291,883	3,632,337	4,194,615
Special Fund		302,817	440,529	440,529	482,859
Federal Revenue Fund		167,222	168,675	284,935	168,674
Interdepartmental Transfer		0	25,843	3,462	0
TOTAL		3,803,025	3,926,930	4,361,263	4,846,148

■	Economic Development	(74.37%)
■	Job Development Zones	(1.19%)
■	Vermont Training Program	(24.43%)



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,256,469	1,184,030	1,344,781	1,746,862
Operating Expenses	328,384	416,258	424,502	413,044
Grants	1,328,287	1,526,291	1,542,542	1,444,291
<hr/> TOTAL	<hr/> 2,913,140	<hr/> 3,126,579	<hr/> 3,311,825	<hr/> 3,604,197
FUND TYPE				
General Fund	2,495,177	2,534,994	2,626,361	2,994,052
Special Fund	250,741	400,529	400,529	441,471
Federal Revenue Fund	167,222	168,675	284,935	168,674
Interdepartmental Transfer	0	22,381	0	0
<hr/> TOTAL	<hr/> 2,913,140	<hr/> 3,126,579	<hr/> 3,311,825	<hr/> 3,604,197

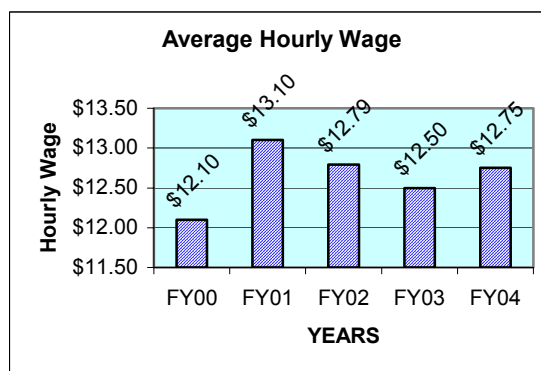
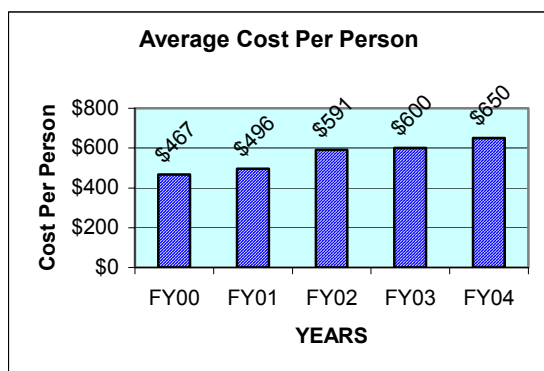
**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Training Program**

Performance Program Information

Program Goals

There are two important goals VTP works to achieve: First, upon completion of the training, *the trainees receive a living wage*, as defined by: (a) a new employee receiving a minimum hourly wage of \$9.37 with a benefit package, or (b) an incumbent upgrade or crossover-trained employee receiving a minimum hourly wage of \$10.62 with a benefit package. This training achieves a skill level that is valuable in the open job market. The trainee is employed in an occupation that has growth potential resulting in long-term retention. Second, *the employer has a workforce that is skilled* to produce a quality product that meets today's standards in a global marketplace resulting in a reasonable profit for his/her investment.

Key Indicators



The indicators above reflect changes in our initial assessment of the Vermont Training Program submitted last year. Analysis of these indicators show flaws in reflecting the true value of the program. Due to the severe weakening economy our FY03 indicators show an increase in costs (mostly through diminished requests for Lean Manufacturing; our most cost-effective training) and a decrease in projected hourly wages.

We are currently working with our department economist to create and populate a **new set of performance measurements** that will better reflect the true value of the Vermont Training Program. They include:

1. Long-term employment indicators for new hires and upgrades.
2. Annual average percentage wage increase projected over four years for new hires and upgrades.
3. Percentage difference in wage increases between employees involved with the training program and those that are not.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Training Program

4. Capital investments directly related to the program in:
 - a. facilities and structures
 - b. machinery and equipment

These indicators will be presented to the administration and legislature before the end of the 2003 legislative session

Program Strategies

Maintain existing training contracts, and develop and implement new training contracts.

ISO-9000: Develop regional classroom training seminars for ISO-9000:2000.

Lean Manufacturing: Implement statewide Lean Manufacturing seminars in conjunction with the Vermont Manufacturing Extension Center (VMEC).

Machinist Training: Develop machinist-training programs to include training skills in computer numerical control (C.N.C.), programming, blueprint reading, mathematics, machine theory and applications.

Vermont Quality Council: Continue to assist the Council in implementing the Malcolm Baldrige Assessment into the manufacturing sector.

VTP Outreach: To ensure that RDC's, D.E.T. local managers and the Vermont business community is aware of the VTP in the areas of eligibility criteria, available training funds, current status, planning to increase awareness and enhance referral activity.

Innovative Programs: Seek new, innovative ways to develop and implement training programs, especially those that create a direct return on investment (ROI) to the state.

Keys to Improving Performance in the Next Two Years: The strength of the economy and the amount of funding are the keys to the performance of the program. Generally, when the economy is strong, there tends to be more focus on *new hire training* that drives the average hourly wage lower and costs higher; and conversely, as the economy weakens, companies focus more on *upgrade training* which targets their current workforce at higher wage levels and less costly services. However, the severe weakening of the economy lessened the demand for Lean Manufacturing, the most cost effective training in the program, therefore, driving up the average cost per person of the overall program. ISO training will most likely level off as most of the ISO-9000:2000 upgrades have been completed. More funding in the program allows the training dollars to go further with efficiencies in administration and costs of training.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Training Program

Performance Measures	<i>Actual FY01</i>	<i>Actual FY02</i>	<i>Target FY03</i>	<i>Target FY04</i>
<u>Training Contracts</u> : # of companies/trainees	20/903	43/1097	28/800	35/1000
<u>ISO-9000</u> : # of companies/trainees	39/115	40/114	35/100	35/100
<u>Lean Manufacturing</u> : # of companies/trainees	99/531	77/449	80/500	70/450
<u>Innovative Programs</u> : # of new programs	1	1	1	2
<u>VTP Outreach</u> : # of Regional Development Corporations visited	11	12	12	12

Appropriation Key Budget Issues

21% of our FY03 General Fund budget goes to the Vermont Training Program. This will increase to 26% of our requested FY04 General Fund budget (including the additionally requested funding). Businesses themselves tell us that it is the most effective and efficient workforce development program in the state, supplying over half a million dollars in matching funds to Vermont businesses to meet a documented training need of \$1.9 million. VTP requires at least a 50% private-sector match, thereby doubling the impact of the program.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Training Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	72,298	72,591	72,148	82,677
Operating Expenses	18,292	11,658	17,568	17,476
Grants	739,554	665,135	898,710	1,083,935
<hr/> TOTAL	<hr/> 830,144	<hr/> 749,384	<hr/> 988,426	<hr/> 1,184,088
FUND TYPE				
General Fund	778,068	705,922	944,964	1,142,700
Special Fund	52,076	40,000	40,000	41,388
Interdepartmental Transfer	0	3,462	3,462	0
<hr/> TOTAL	<hr/> 830,144	<hr/> 749,384	<hr/> 988,426	<hr/> 1,184,088

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Job Development Zones

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	59,741	50,967	61,012	57,863
TOTAL	59,741	50,967	61,012	57,863
FUND TYPE				
General Fund	59,741	50,967	61,012	57,863
TOTAL	59,741	50,967	61,012	57,863

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tourism and Marketing

Department Mission Statement

To promote Vermont's travel, recreation and cultural attractions, as well as the state's goods and services to a global audience, in coordination with public and private sector members, and in a manner consistent with the values and traditions of the state for the economic benefit of all Vermonters. The department also coordinates efforts with the Department of Economic Development to attract businesses to Vermont.

Description of Appropriations, Divisions, & Programs

Together with the award-winning publications team at Vermont Life Magazine - and with public and private partners - the Department of Tourism and Marketing promotes Vermont's brand identity to a global audience.

Marketing Themes

The department promotes the traveler experience through five marketing themes: agricultural heritage, natural heritage, four-season outdoor recreation, Vermont-made products and cultural heritage.

Programs

Research: Research guides the state's marketing efforts by providing a profile of Vermont's visitors, their demographics and interests. The University of Vermont's Tourism Data Center's work has also helped to underscore the importance of tourism to Vermont's economic vitality.

Advertising: In spring 2002 the department launched a new creative campaign and media strategy. Ads use dramatic imagery to convey Vermont's core brand promise of "a profound sense of well being." The media strategy includes print ads in regional and highly targeted magazines, and a first-time sponsorship of National Public Radio's "All things Considered," broadcasting our message to audiences across the nation. Both print and radio ads promote the new web site.

Web: Promotional efforts guide consumers to www.VermontVacation.com. Nearly 50% of Vermont visitors say they used the Internet to help them decide to visit our state. Web traffic reached new highs with the redesign and renaming of the site in late summer of 2002.

Public Relations: The Department of Tourism and Marketing has the opportunity to tell the story of Vermont's people, places and experiences on a daily basis to reporters and writers from international, national, regional, state and trade publications as well as to network and cable television. In FY02, 1,925 articles with content about Vermont as a vacation destination were published, with an advertising equivalency value of \$14,496,375.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tourism and Marketing

International and Domestic Sales: Consumer trade shows, familiarization trips for journalists and relationships with domestic and international tour operators expose millions of potential visitors to the Vermont experience each year.

Tourism Industry Outreach: The new business to business web site, www.VermontPartners.org, is designed to share industry knowledge and cross pollinate best practices with such features as online lodging availability, marketing tips and opportunities, and a calendar of industry related meetings.

Appropriation Key Budget Issues

Back to Basics: In FY04, a change in operation and strategy is necessary to assure effective promotion of the Vermont brand. Funding for tourism marketing has decreased 26% over the past two years (\$6,390,363 in FY01 compared to \$4,756,462 in FY03). In the face of dramatic cuts, the department thinned and trimmed resources allocated to programs. The result has been a decreased effectiveness and loss of market share. Advertising efforts have been diminished at a time when those activities should have been aggressively increased. Today, Vermont ranks last among New England states and New York in state funding for tourism marketing, and only seven states in the nation spend less on tourism promotion than Vermont.

The department is proud of the development and expansion of two important initiatives with statewide importance, but recognizes the time is right to shift administrative and managerial responsibility to other state partners. The Department of Tourism and Marketing will maintain an active role in these initiatives, but will transfer ownership of the following:

- **Act 190:** Transfer responsibility for coordinating state marketing (including two positions) from the department to the Secretary of Agency of Commerce and Community Development.
- **ConnectVermont:** Transfer management and administration of the Intelligent Transportation System grant, ConnectVermont, to the Agency of Transportation.

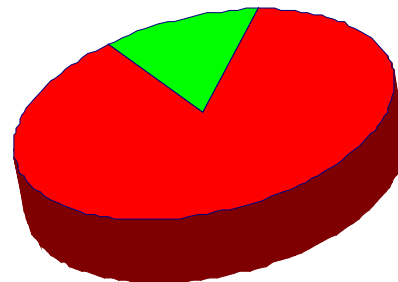
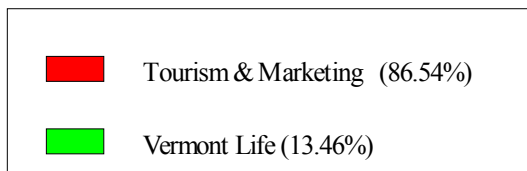
Further, in order to meet the Administration's FY04 budget target, there will be a restructuring of the Regional Marketing Organization program.

New Initiative: The one new initiative for the Department of Tourism and Marketing is Governor Douglas' "Fund for Tourism Marketing Initiatives." This is to establish targeted grants for private sector marketing initiatives.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Tourism & Marketing	18	5,480,385	4,708,057	5,346,894	5,305,085
Marketing and Promotional Team	2	0	348,405	298,405	0
Vermont Life	12	654,704	825,000	825,000	825,000
TOTAL	32	6,135,089	5,881,462	6,470,299	6,130,085
FUND TYPE					
General Fund		4,668,161	4,756,462	4,795,299	4,950,085
Special Fund		61,000	50,000	50,000	55,000
Enterprise Fund		654,704	825,000	825,000	825,000
Interdepartmental Transfer		751,224	250,000	800,000	300,000
TOTAL		6,135,089	5,881,462	6,470,299	6,130,085



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,870,651	2,232,530	2,709,022	2,616,958
Operating Expenses	612,957	1,036,695	1,174,622	1,418,147
Grants	1,996,777	1,438,832	1,463,250	1,269,980
<hr/> TOTAL	<hr/> 5,480,385	<hr/> 4,708,057	<hr/> 5,346,894	<hr/> 5,305,085
FUND TYPE				
General Fund	4,668,161	4,408,057	4,496,894	4,950,085
Special Fund	61,000	50,000	50,000	55,000
Interdepartmental Transfer	751,224	250,000	800,000	300,000
<hr/> TOTAL	<hr/> 5,480,385	<hr/> 4,708,057	<hr/> 5,346,894	<hr/> 5,305,085

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Marketing and Promotional Team**

Performance Program Information

NOTE: The Department's FY03 Performance-Based Budgeting program was the Marketing and Promotions Team (M.A.P.) A November 2002 review of our budget by the Joint Fiscal Office recommended that we no longer use M.A.P. because the performance measures rely on more than a dozen other departments of state government and are not reflective of VDTM's performance. Also, in FY04, responsibility for coordinating state marketing will be transferred from the department to the Secretary of the Agency of Commerce and Community Development. Therefore, we are withdrawing M.A.P. as our performance-based budgeting program. **SUCCESES:** However, during FY03, we did achieve significant success toward reaching our identified goals for M.A.P.

1. Increased the number of M.A.P. partners to 17.
2. Developed and released a re-engineered RFP for promotional services that addresses outstanding issues.
3. Strengthened the M.A.P. partnership with a formal MOU signed by 17 secretaries and commissioners outlining responsibilities and expectations.

The two programs selected for Performance-Based Budgeting in FY04 are public relations and research.

Public Relations

You cannot buy the value of positive press coverage. The reach and impact of a Vermont story in, for instance, the travel section of the Sunday Boston Globe is broader than any paid advertising that the state could afford. In FY04, the department needs to redouble its public relations efforts as an integral part of an expanded media campaign.

- Increase domestic editorial coverage of Vermont as measured by advertising equivalency value. FY02: \$14,496,375.
- Increase number of familiarization trips by journalists to the State of Vermont that result in editorial coverage.
- Increase number of desk-side visits with travel and lifestyle publications in core domestic markets (NYC, Hartford, Boston, Washington D.C., etc.)

Research

Research guides the state's marketing efforts by providing a profile of Vermont's visitors, their demographics and interests. A multi-year contractual relationship with the University of Vermont's Tourism Data Center has been essential in these efforts. Regional Marketing Organizations, chambers of commerce, Vermont business leaders and others rely on the university's research to help them better target marketing messages. Two areas that need new, focused research efforts are statewide occupancy

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Marketing and Promotional Team

rate reports and better measuring the international visitors to Vermont.

- Improve reporting of statewide occupancy rates
 - Establish credible baseline data.
 - Increase the number of Vermont lodging establishments providing monthly occupancy data.
 - Outreach: simplify the reporting process.
 - Assure that UVM Tourism Data Center and state Employment and Training staff share information and understand each other's reporting.
- Measure the number of and economic impact of international visitors to Vermont
 - Survey international visitors to measure activity and spending habits.
 - Work with Vermont lodging to assure research provide the kind of information that meets their business needs.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Marketing and Promotional Team

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	339,605	277,605	0
Operating Expenses	0	8,800	20,800	0
<u>TOTAL</u>	<u>0</u>	<u>348,405</u>	<u>298,405</u>	<u>0</u>
FUND TYPE				
General Fund	0	348,405	298,405	0
<u>TOTAL</u>	<u>0</u>	<u>348,405</u>	<u>298,405</u>	<u>0</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	574,183	625,000	625,000	645,000
Operating Expenses	80,521	200,000	200,000	180,000
<hr/> TOTAL	<hr/> 654,704	<hr/> 825,000	<hr/> 825,000	<hr/> 825,000
FUND TYPE				
Enterprise Fund	654,704	825,000	825,000	825,000
<hr/> TOTAL	<hr/> 654,704	<hr/> 825,000	<hr/> 825,000	<hr/> 825,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to enrich people's lives and strengthen community through the arts. The Arts Council works toward this mission through three interconnected goals: To strengthen community life through the arts; To nurture lifelong learning in the arts; To create an environment where artists and arts organizations can flourish.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a private nonprofit in 1964 by private citizens to promote and support quality art opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating a National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The Arts Council performs both as a service-provider and as a grant-maker in the arts with three broad goals:

- Support the development of artists and arts organizations and provide them with greater opportunities for the creation and presentation of excellent work
- Promote high quality arts education and lifelong learning in and through the arts
- Support efforts by communities to make the arts part of everyday life and increase public awareness of the positive roles played by artists and arts organizations in their communities.

The Council supports and provides leadership in state and local partnerships that value the role of the arts in local economic development, invest in physical improvements to our cultural infrastructure, and promote the products and services of the "creative sector" of Vermont's economy. Examples of the Council's collaborative activities are:

- Providing statewide coordination of Cultural Heritage Tourism activities in partnership with the Dept. of Tourism and Marketing;
- Developing initiatives such as Head Start arts programs for underserved children and families and sustainable arts education programming in schools and communities throughout the state with local arts and municipal partners;
- Overseeing a model transportation enhancement project based on creative improvements as part of the reconstruction of the Route 2 corridor through the village of Danville in partnership with the Vermont Agency of Transportation;
- Coordinating the "Art in State Buildings" program to commission art works to enhance new and

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

renovated public buildings in partnership with the Department of Buildings and General Services;

·Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, the Vt. Historical Society, and the Vt. Museum and Gallery Alliance and others.

The major objectives the Council is pursuing to achieve its goals are:

- 1)To stabilize the cultural infrastructure of the state by
 - Increasing grant funds to organizations, including schools, that hire artists to perform or present quality arts programs
 - Strengthening partnerships that make Vermont artists and arts organizations key community and economic development resources
 - Maintaining and improving the physical condition of cultural facilities in collaboration with other statewide agencies/organizations
 - Upgrading access to cultural facilities, both physically and programmatically, to improve the quality of Vermonters' (and visitors') enjoyment of their Vermont cultural experience
- 2)To recognize/reward exemplary creative work by individuals or organizations that work alone or in collaboration with others
- 3)To strengthen and develop services that support those working in arts education or in the local communities they serve by
 - Identifying collaborative opportunities with organizations and agencies that foster life-long learning in the arts, or that result in more arts integrated curricula
 - Developing an effective public awareness plan to increase private-sector support
 - Developing an effective advocacy plan consistent with and complementary to the New England Council's Creative Economy Initiative that communicates the central role of the arts in community life.

Appropriation Key Budget Issues

The Arts Council spent most of last year reviewing and revising its strategic plan with much public input from around the state. Overall the Council received good feedback about the direction of its programs and collaborations, and its ability to engage other state agencies in integrating the arts into their work on a state level. The Council's general fund appropriation is only 1/3 of its entire annual budget. State funds are an investment successfully used to attract and match federal and private funds.

Yet our constituents continue to fervently express the need both for more grant funding and for

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

increased services. The Council is trying to balance providing the services demanded while maintaining grant programs. However, the cuts in state funding are forcing cuts in both the level of services and in the amounts available for grant programs.

As we balance the demands and needs of our constituency our resources are spread thin in spite of constant attention to priorities and mission. For example, in our core grant programs, requests from schools, nonprofits, communities and individuals increase 35% over five years up to a total of \$985,000, while the amount available to grant will decrease 7% over the same period to \$333,000 in FY2004.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Council on the Arts	0	517,206	517,206	517,206	491,618
TOTAL	0	517,206	517,206	517,206	491,618
FUND TYPE					
General Fund		517,206	517,206	517,206	491,618
TOTAL		517,206	517,206	517,206	491,618

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	517,206	517,206	517,206	491,618
TOTAL	517,206	517,206	517,206	491,618
FUND TYPE				
General Fund	517,206	517,206	517,206	491,618
TOTAL	517,206	517,206	517,206	491,618

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

Department Mission Statement

The Vermont Symphony Orchestra Association, Inc., a state-supported non-profit institution founded in 1936, exists for the purpose of fostering and encouraging the appreciation of music in all its various forms, with emphasis on orchestral, choral and chamber music. It seeks to raise the common standard of music education and enjoyment, and to provide, at moderate cost, quality performances for a broad and diverse public throughout the State of Vermont.

Description of Appropriations, Divisions, & Programs

The Vermont Symphony Orchestra (VSO) receives a single appropriation that is applied to support musical and educational programs around the state, with primary emphasis on the SymphonyKids education program and performances in underserved, rural areas of the state.

Activities

The VSO is Vermont's nationally recognized professional musical resource, providing residents of and visitors to the state with high quality services and programs, especially in the area of music education. Its unique mission as a state orchestra is made possible through the collaborative efforts of the many communities it serves each year and the grass roots efforts of hundreds of volunteers across Vermont. During the season just completed (September 1, 2001 - August 31, 2002), the VSO presented 46 major programs in 24 Vermont towns. The orchestral offerings included three statewide tours^{3/4}the foliage season Made in Vermont Music Festival (ten concerts), the eight-concert Summer Festival, and the ten-concert SymphonyKids Orchestral Youth Concert^{3/4} along with the Masterworks series (seven concerts), four Holiday Pops concerts, two SymphonyKids Orchestral Youth Concerts, the free David M. Wilson Memorial Farmers' Night Concert in Montpelier, a concert at Hunter Park in Manchester, and three special presentations (Waltz Night, the VPR Member Picnic and Champlain Valley Exposition's presentation of The Irish Tenors).

The recently concluded 2001/2002 season again enjoyed strong numbers of activities and participation in the VSO's SymphonyKids statewide educational programs: 186 events involving 26,648 Vermont schoolchildren from 181 schools in 94 towns. The attendance represents approximately 50% of all Vermont K-6 schoolchildren and nearly 40% of all Vermont K-8 schoolchildren). No other orchestra in the country can lay claim to such a pervasive education program. The VSO continues to rely on substantial support for its SymphonyKids program from the New Jersey based Turrell Fund. The SymphonyKids education program umbrella encompasses several offerings: the Musical Instrument Petting Zoo, Musicians-in-the-Schools (smaller ensembles) and Orchestral Youth Concerts. Special programs that feature visiting guest artists, composers and other musical personalities supplement these mainstays.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

The VSO presented a total of 288 concerts and programs during its 2001/2002 season, reaching 65,227 people statewide. 244 of the events were offered free of charge to audience members totaling 26,152.

The VSO looks to expand fulfillment of its statewide mission by taking Masterworks concerts presented at the Flynn Center in Burlington to other communities where appropriate concert venues are available. This occurred twice during 2001/2002, with presentations at Plumley Armory on the Northfield campus of Norwich University and at Rutland's Paramount Center, and will occur again during 2002/2003, with presentations at Brattleboro's Latchis Theatre in Brattleboro and again at the Paramount Center in Rutland. The VSO hopes to build on these anticipated successes and increase the number of full-orchestra performances at other communities around the state in future seasons.

Market

The Vermont Symphony Orchestra was organized 68 years ago to serve all of the communities of Vermont. As its name implies, the orchestra is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of U.S. orchestras, only several hold this statewide distinction, but among those few, the size and proportion of the rural communities that the VSO annually serves make it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. According to the American Symphony Orchestra League, the average U.S. orchestra in the VSO's budget class serves a metropolitan area population of 636,725 people. While the VSO market constitutes roughly the same population, this market covers an entire state, one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. The League's statistical data includes no record of the number of communities served each year by the reporting orchestras, presumably because they each serve one principal community; by contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unusual mission by annually granting a direct appropriation, making it the oldest state-supported orchestra of its kind in the country. The most important component of the market that compels the Orchestra's existence is the 65,000+ individuals who use VSO programs, more than one-third of which are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of their students. A recent study from the National Center for Education Statistics supports the assertion that music and arts education has a significant positive impact on students' cognitive and reasoning skills. This study shows that students who take part in music programs routinely have higher achievement test scores than their classmates and have higher grades in their classes. Children who experience music regularly from an early age have been shown to have an enhanced mathematical ability over their classmates. These studies only add to what we already know: children who learn to appreciate music and art early in life retain that appreciation and equate it with an appreciation for other important cultural components and, in turn, help to improve society. Within the limit of available resources, it is the VSO's mission to reach

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Vermont Symphony Orchestra

an ever-increasing audience each year, in as many communities as possible.

Appropriation Key Budget Issues

Among the major indicators measuring the results and impact of VSO programs each fiscal year, the most important are:

Program usage statistics These are arguably the most important indicators of success for a performing arts organization. Usage statistics include attendance figures, ticket revenues, and other related numbers that measure participation and which are compiled as events take place.

	Actual FY00	Actual FY01	Actual FY02	Est. FY03	Est. FY04
Attendance	64,315	65,775	65,227	66,000	67,000
Ticket Sales	\$481,512	\$390,430	\$398,609	\$401,540	\$405,555
Annual Fund Support	\$176,029	\$173,553	\$178,760	\$200,000	\$206,000

Ticket sales declines sharply in FY01, due to a reduction in the number of performances. VSO concerts typically enjoy excellent attendance with a high percentage of capacity. Many VSO concerts are performed in relatively small spaces in rural communities. This allows the VSO to increase its coverage of the state as mandated by its mission. Given programmatic changes and the economic downturn, attendance, sales and individual support stability suggests organizational strength among the VSO's patronage. Projections for the next two years show modest increases, based on limited programmatic expansion.

The number and variety of programs/services offered. The number of different Vermont communities participating in those programs. The chart below shows historical and projected numbers of major events planned for each fiscal year, followed by the number of Vermont communities served:

	Actual FY00	Actual FY01	Actual FY02	Est. FY03	Est. FY04
Number of Programs	56	44	46	44	46
Number of Communities	20	19	24	23	25

Significant operating deficits during FYs '98, '99, '00 and '01 prompted the reduction in FY01 and elimination in FY02 of repeat performances of Masterworks series concerts at the Flynn Center in Burlington and the summer concert series at Hunter Park in Manchester. Currently, the VSO is looking to present Masterworks repeats in other areas of the state, to better fulfill its statewide mission and, practically, where venue costs are less prohibitive. Additionally, the VSO is pursuing options that would retain a summer presence in Manchester while eliminating the risk of presenting at Hunter Park. A SymphonyKids Orchestral Youth Concert statewide tour has occurred or is anticipated in FYs '00, '02,

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'03 and '05.

Statistical evidence of broadening community and business support across the state. Included below are the results and projections from annual individual and business fundraising efforts.

	Actual FY00	Actual FY01	Actual FY02	Est. FY03	Est. FY04
Individual Gifts	\$246,979	\$244,143	\$263,428	\$271,330	\$279,470
Business Support	\$228,791	\$155,728	\$143,079	\$159,850	\$164,650

The decrease in major programs presented beginning in FY01 results in a marked decline in business support, due to fewer sponsorship opportunities. Special fund raising efforts during FY02 resulted in a significant increase in individual gifts; this growth is expected to continue, albeit, at a slower rate. The FY02 business support decline can be attributed to the poor economy; however, three new significant sponsorships secured for the current season account for the increase, with anticipated further growth in FY04.

Broadening community support is also measured in terms of volunteer participation and non-cash giving. The number of active volunteers has grown to well over 400, while the value of in-kind contributions for FY02 totaled \$153,552 (from 1,078 gifts).

The funding trend from federal (National Endowment for the Arts) and state (Vermont Arts Council) arts agencies remains static; this is an ongoing concern for the VSO. While the VSO has handled this stagnancy relatively well^{3/4}by identifying and securing new and increased private individual, business and foundation support to make up for lost public moneys^{3/4}it has done so during strong economic times. Indeed, foundation support more than doubled in FY02, from \$31,000 to \$64,091; however, the future challenge will be to find stable sources of contributed revenues that will remain available during downturns in the economy.

Evidence of artistic and administrative excellence. Financial results and evidence of economic impact. The Vermont Symphony Orchestra has developed a consistent, superior level of artistic ability that is unparalleled locally, and is competitive at the regional and national level. This is indicated both through critical review of performances and from periodic review by outside agencies, many of which fund the VSO in a highly competitive environment. Annual indicators include the Vermont Arts Council, the National Endowment for the Arts and several private foundations. Administratively, the VSO has now enjoyed more than two years of staff continuity. This has certainly played a role in the financial turnaround of the organization.

FY02 was a year of financial turnaround for the VSO. Its modest operational surplus of \$30,000 was more significant in that it represented the first such positive result since FY97. More importantly, it represented a nearly quarter-million dollar reversal from FY01 results. A balanced budget and strong cash flow management also allowed the VSO to reduce its external debt load by 62%. The FY03 budget

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was crafted under the same principals as were employed in FY02, that is, zero-based revenue projections, tight expense controls, and eliminating unnecessarily risky activities. The VSO's Governing Board of Directors has, for a second year, committed to raising additional funds to help reduce the accumulated deficit and improve the cash position. Success in these extraordinary efforts will be required for several more years to completely eliminate the accumulated deficit.

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Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Symphony Orchestra	0	107,326	107,326	107,326	101,960
TOTAL	0	107,326	107,326	107,326	101,960
FUND TYPE					
General Fund		107,326	107,326	107,326	101,960
TOTAL		107,326	107,326	107,326	101,960

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APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	107,326	107,326	107,326	101,960
TOTAL	107,326	107,326	107,326	101,960
FUND TYPE				
General Fund	107,326	107,326	107,326	101,960
TOTAL	107,326	107,326	107,326	101,960

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Vermont Historical Society

Department Mission Statement

At the December 13, 2002 meeting of the Board of Trustees, the following mission statement was reviewed and approved: The Vermont Historical Society collects, preserves, and interprets Vermont history for the use, education, and enjoyment of present and future generations. A membership organization, the Society offers public access to its collections and comprehensive library; promotes the Vermont story in schools, local historical societies, and the media; and encourages as well as publishes scholarly research. In addition, the Board adopted a vision statement for the Society, which reads: The Vermont Historical Society explores and celebrates the past while serving as a bridge to the future.

Chartered by the legislature in 1838, the Society collects, preserves, and interprets objects and documents related to Vermont's past (22 V.S.A., sections 281-285). The Vermont Historical Society is the only institution in Vermont that collects artifacts and documents that reflect the entire history of the state, every geographical area, and every chronological period, including the present.

In 1996, VHS revisited its 1992 long-range plan, Building Bridges to the Future: Vermont Historical Society Long-Range Plan, 1993-2000, and both board and staff endorsed a new and challenging vision for VHS-committing it to "a statewide leadership role in promoting an understanding of Vermont history by improving and expanding public access to its collections and by expanding its interpretive and educational efforts." This commitment was reviewed and endorsed once again by the Board of Trustees of the Society at a meeting of the full board on December 7, 2001.

Description of Appropriations, Divisions, & Programs

The Society possesses many resources, designed to educate diverse audiences about the state's history. It operates a museum that creates exhibits and lends and borrows objects for display; sponsors public programs throughout the State of Vermont; provides services, training, and resources for educators, students, and local historical societies; runs a research library; publishes periodicals and books that promote research and the dissemination of information about Vermont history; and collaborates with other educational and cultural organizations to gather, preserve, and make available to the public resources and information about Vermont's past.

To accomplish its overall mission, VHS has identified the following objectives as top priorities:

- facilitate the teaching of Vermont history by producing the educational materials and outreach programs necessary to teach Vermont history in schools statewide;
- support the work of local historical societies by providing technical assistance and forums that encourage collaboration among these public history venues;

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Vermont Historical Society

- develop the internet as an educational and outreach tool;
- make the resources of VHS more accessible to wider audiences by producing exhibitions, publications, and programming that interpret the collections and utilize new research;
- promote Vermont history through heritage tourism initiatives;
- strengthen and encourage humanities scholarship statewide by cultivating and drawing upon the expertise of the state's academic community to create public programs, long-distance learning opportunities, internships, and fellowships; and
- pursue collaborative ventures (with statewide and regional organizations as well as other state historical societies) designed to promote humanities education and place Vermont within the national historical framework.

To support these expanded outreach activities and services, VHS has resolved to:

- provide adequate space to accommodate these activities;
- protect and expand core collections by establishing environmentally superior storage areas and acquiring additional space for acquisitions;
- increase public awareness and improve the public image of VHS by developing an aggressive and creative public relations initiative; and
- generate the financial resources needed to pay for expanded personnel needs and programmatic expenses by increasing the funds raised by the development program; increasing membership participation; strengthening the relationship with Vermont state government; evaluating and improving current as well as creating new earned income opportunities, particularly as they relate to electronic media; and building endowment.

On annual basis, VHS's audiences have been: its membership (2,200); non-member donors (400); onsite library patrons, 50% of whom are genealogists (3,000-4,000); informational/ research inquiries (10,500 via telephone, e-mail, letter); museum visitors, including school groups (11,000-13,000); museum/book store customers (booklist circulation: 12,000, excluding members); local historical societies (8,000+); program attendees (1,500-1,800); staff speaking engagements (500-750 people); heritage tourism initiatives (7,000 +); teachers/school librarians/homeschoolers mailing list (1,900); school outreach programs-history kits, lending library, etc. (3,300), and virtual visitors (approximately 25,000 "hits" per year on its website). Via its presence at state and local events and sponsoring a booth at the Vermont Antique Dealers Association's annual show, VHS introduces itself to even larger audiences (50,000+). VHS also cultivates some 6,000 potential supporters; the State Legislature (180); 200 media contacts; and visitors to the state, through annual distribution of 75,000-100,000 information pieces at major tourist venues and state welcome centers.

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As the Society expands its outreach efforts, these figures will continue to grow. However, during the period from November 2001 through July 2002, both the Society's museum and library were closed in order to inventory collections. This was done in preparation for rehousing them in the History Center. The Society realized that this 9-month period, when both the library and museum were closed, would have an impact on admissions and shop income and planned accordingly. To keep its public visibility high during this downtime, the Society continued its public programming in different venues.

During the period from November 2001 through the end of FY2002, the Society presented the following public programs and events:

- Two public lectures: Archaeology Month Lecture: "Unwritten Stories of the Missisquoi Delta: Archaeological Discoveries in Swanton," given by Professor Ellen Cowie (September) and a special lecture by Pulitzer Prize winning historian Laurel Thatcher Ulrich on her latest book, *The Age of Homespun: Objects and Stories in the Creation of an American Myth* (November);
- The inauguration of the "You be the Historian" program, a hands-on learning experience of school children in the Pavilion auditorium, Montpelier, which focuses how historians, curators, and archaeologist use different tools to discover history (January 2002);
- A collaborative exhibition at the Helen Day Arts Center, Stowe, entitled *Faces of Vermont: Portraits from the Collection of the Vermont Historical Society* (January 19-April 6, 2002), which traveled to the Bennington Center for the Arts (the month of May 2002);
- Farmers' Night, featuring the W'Abenaki Dances/Rainbow of Strength Children's Dance Troupe (February 27);
- A seven-venue tour of the state by Deborah Clifford, author of the Society's newest publication, *The Passion of Abby Hemenway* (March-September);
- The Vermont Contest of National History Day (April 6) at Montpelier High School;
- The Future of Vermont History in the 21st Century: A Needs and Opportunities Symposium (April 20), held in Montpelier;
- Collective Memories, the annual meeting of the League of Local Historical Societies (May 4), held in St. Johnsbury; and
- Vermont History Expo 2002** (June 22-23, 2002) at Tunbridge Fairgrounds.

(**The Vermont History Expo, the Society's largest public event, has not only won recognition by the State of Vermont as one of the Department of Tourism's Top Ten Summer Events, but it also received national recognition in the form of an Award of Merit from the American

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Association for State and Local History.)

The Society's history kits continued to be a popular resource for teachers around the state. To help maintain VHS's level of resources for educators during its move, the Society added another one of these "field-trips-in-a-box" to its roster of resources in FY2003. Entitled Archaeology Alive: Vermont's History from the Ground Up, this kit was developed in partnership with the Division for Historic Preservation and funded by the Vermont Archaeological Society. Based on a popular kit created by the Division in the late 1970s, VHS and the Division aligned it to Vermont's Framework of Educational Standards, added lessons, and field-tested the lessons in schools.

The Society's pilot program, the Community History Project, continued, teaming up local historical societies and schools, to utilize new technologies to produce an online exhibit, which highlight a particular facet of a community's heritage. There are currently twelve communities engaged in this project. The Society continued to produce its quarterly newsletter, InContext, and its biannual scholarly journal, Vermont History, and to upgrade its website for use by the general public as well as school students and teachers.

FY2002 ended with not only a balanced budget, but with a surplus. The Society's FY2002 annual fund income grew by more than 12% (almost \$20,000), from FY2001. In fact, over the past five years (FY1998 to FY2002), the total development effort has more than doubled the Society's income from unrestricted and restricted sources.

Throughout FY2002 and FY2003, the Society's energies were focused on its capital campaign efforts to raise \$9.5 million for the Phase I renovation of the Vermont History Center and the renovation of the Pavilion Building space. By September 2002, the Society had raised \$5.5 million of the \$9.5 million goal. As of December 2002, the Society's tally has reached \$6 million in gifts and pledges.

During FY2003, the Society also worked to open the Vermont History Center. The Center, which opened officially to the public on July 20, 2002, now provides space for the Society's research library, environmentally stable storage space for all of its collections, and new administrative offices. The

Society also began planning for the installation of the Freedom & Unity exhibit in the Pavilion. September 2003 (FY2004) will see the reopening of the Society's Pavilion space, which will become the Vermont Historical Society Museum and include the new comprehensive state history exhibit. The

Museum space will include a new hands-on classroom and an expanded museum store.

With the reopening of the Museum, revenues from admissions, earned income, and fees, will not only be renewed but increase in the period from September 2003-June 2004. Both the new and the renovated facilities will also give "value added" to membership. The Society revamped its membership structure and fees in September 2002. During the remainder of FY2003 and throughout FY2004, the Society will make a major push to maintain its current membership as well as acquire new members. The visibility

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Vermont Historical Society

generated by the Society's expansion will have a positive influence on fundraising efforts in addition to the funds being raised for the capital campaign (for the History Center and the Pavilion space) and endowment.

Events and programming already scheduled from January 2003 to the end of FY2003 include the following:

- Monday, January 20-Martin Luther King Day. Lunchtime Lecture. Gretchen Sullivan Sorin, "In the Spirit of Martin: The Living Legacy of Dr. Martin Luther King, Jr." Noon in the Community room, VHC. Evening talk in Burlington, TBA.
- Thursday, January 30, and Saturday, Feb. 1-Vermont History Expo Workshops, for local historical society members. 9 am - 4:30 p.m. Thursday in the Community room, VHC, Saturday at the Kirk Alumni Center at Middlebury College.
- Thursday, February 6, 7 p.m.-Ed Bearss, Civil War Historian, will discuss Vermont in the Civil War. Community Room, Vermont History Center.
- Wednesday, February 26, 7:30 p.m.-Farmers' Night. "Lisette's Journey: Vermont Fur Trader Lisette Duval Harmon," performed by Lynn E. Noel. Vermont State House.
- Saturday, April 12-Vermont National History Day Contest, Spaulding High School, Barre.
- Saturday May 17-League of Local Historical Societies Annual Meeting. Vermont History Center.
- Saturday, June 21, and Sunday, June 22-Vermont History Expo 2003, Tunbridge Fairgrounds.

The Society is currently working with the Agency of Transportation to produce a volume on the bridges of Vermont, an engineering history and historic preservation project. The expected publication date is October 2003. The Society also expects to publish a long-awaited history of Vermont in October 2004.

Appropriation Key Budget Issues

The Vermont Historical Society sees FY2004 as another critical year in its 164-history as it strives to continue expanding its educational and outreach programs. For the past six years, the Society has been focusing on building a leadership role in history education statewide. This program has three priorities: 1) working with teachers and students to enhance the teaching of Vermont history in the schools; 2) working in partnership with the state's 175 local historical societies to raise the visibility and professionalism of Vermont history statewide; and 3) building the Society's internet presence as a major educational tool in the dissemination of Vermont history to Vermonters as well as tourists. The number of people being directly served annually by the Society (onsite, offsite, and through the internet) has

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Vermont Historical Society

risen to 75,000. Secondary contacts through publications, promotional materials, etc. have continued to grow as well, reaching tens of thousands of persons.

The Society is concerned about its increasing costs and declining State revenues as the Society strives to utilize the reopened Museum space in the Pavilion and to maintain its public hours on the weekends (Saturday, 9 a.m.-4 p.m., and Sunday, Noon-4 p.m.).

To meet current financial constraints, the Society will:

- §Discontinue the National History Day program, a national program focused on encouraging original research in history for school children in grades 6-12

- §Reduce the Registrar's (the person who takes care of the collection inventorying and preservation) hours by 5 hours per week.

- §Reduce staff hours by 5% across the board (approximately 2 hours per week per staff member).

The Society will also be dealing with approximately \$150,000 in new costs to operate the Vermont History Center. While the Society expects to expand its fundraising and membership income and hopes to realize increased revenues from retail sales due to expanded store space (100 square feet to 1,200 square feet of retail space), increased admissions income in both Montpelier and Barre, and rental income for History Center space, more expense reduction measures may be required. The Society's Board of Trustees will be consulted concerning further reductions in staff hours and/or elimination of staff positions and programs.

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Vermont Historical Society

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Historical Society	0	263,166	405,830	405,830	429,874
TOTAL	0	263,166	405,830	405,830	429,874
FUND TYPE					
General Fund		263,166	405,830	405,830	429,874
TOTAL		263,166	405,830	405,830	429,874

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Vermont Historical Society**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	263,166	405,830	405,830	429,874
TOTAL	263,166	405,830	405,830	429,874
FUND TYPE				
General Fund	263,166	405,830	405,830	429,874
TOTAL	263,166	405,830	405,830	429,874

STATE OF VERMONT
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Vt Housing and Conservation Board

Department Mission Statement

The Vermont Housing and Conservation Board (VHCB) is a public instrumentality established in 1987 by amendment to 10 V.S.A. to add Chapter 15, Sections 1 through 3 with the purpose of improving the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve lower income Vermonters (families earning below median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

A major VHCB goal is to assist communities in implementing local plans and activities which further the Board's statutory mission. The Board's awards support community-based projects that preserve affordable housing units, create or rehabilitate additional affordable housing, correct infrastructure deficiencies in mobile home parks, conserve and protect agricultural lands, natural and recreational land and historic properties. The Board's work results in re-investment in downtowns and surrounding neighborhoods while preserving the rural working landscape.

VHCB's program contributes to Vermont's economy in many ways: 1) it leverages more than \$3 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective generator of jobs; 3) the working landscape is among Vermont's primary economic assets - investment in conservation supports travel, tourism and recreation; investment in agriculture promotes inter-generational transfers, expansion, efficiency and diversification.

Description of Appropriations, Divisions, & Programs

The vast majority of the Board's funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). The programs are enhanced by leverage from federal funds administered by VHCB including the HOME Program, HUD Economic Development Initiative/Special Projects Grants, Lead Paint Hazard Reduction Program, Housing for Persons with HIV/AIDS, Farms for the Future, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects.

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Vt Housing and Conservation Board

The Board's awards help applicants leverage other funds including private equity, commercial loans, foundation funds, and federal grants.

The VHCB works toward the goal of creating and preserving affordable housing by providing funds for projects with mechanisms which assure perpetual affordability, that serve the most economically distressed households, and by placing a priority on "at risk" housing where a lack of action may result in displacement of residents and where action is necessary to prevent the loss of federally subsidized housing projects. In recent years, because of a housing shortage, the Board has also prioritized developing new units. When reviewing a project the Board considers the availability of other amenities related to housing, including access to social services, transportation, recreation, and access to open space.

In recent years the Board received over \$11 million in one-time funds for housing. This has been invested along with ongoing appropriations for the development of over 800 net new units of housing.

Objectives for the retention of agricultural land include the funding of projects which have a specific and current agricultural use, have the potential of being an economically viable farm unit, and/or where the loss of the farm would have significant negative impact on neighboring farms. The Board reviews potential farm applications with the help of an Agricultural Advisory Committee. State funds for purchasing conservation easements are leveraged with funds from the federal Farms Preservation Program which match dollar for dollar the easement purchase price. VHCB has been able to match state funds with more than \$7 million from this program to date.

In FY2003 the Board initiated a pilot Farm Viability Program which focuses on business development and planning for farmers. This was designed using the highly successful Massachusetts program as a model, and involved consultation with a broad range of the Vermont agricultural community. The protection of natural areas and public recreation lands is supported through the funding of projects providing valuable public access to the state's water resources, and other important outdoor recreational lands, often in cooperation with the (Agency of Natural Resources and local communities) which provide opportunities for hunting, fishing, hiking, bird watching, and cross country skiing among other activities. VHCB projects also focus on perpetually protecting areas essential to maintaining the ecological diversity or natural heritage of the state, including the perpetual protection of habitat containing one or more endangered species. Many of VHCB's conservation awards support the efforts of local communities to provide ongoing public access to locally important resources.

Historic projects include buildings on, or eligible for, the national register of historic places that can be used or converted to affordable housing. VHCB also provides funds for historic buildings of outstanding statewide significance which will have intensive public use.

The Board measures and monitors its productivity through analysis of financial data, project information data, and reports from project grantees as well as a field monitoring program.

VHCB produces monthly financial statements through a fund accounting program accounting for all

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Vt Housing and Conservation Board

financial transactions. Annually, an independent audit is performed on all the Board's funds by an independent accounting firm. The Board's audited financials are presented in the state financial statements as a separately presented component unit.

Appropriation Key Budget Issues

Property Transfer Tax - The VHCB annual appropriation is derived from a percentage of the Property Transfer Tax. Based on statute and tax projections, the amount of Property Transfer calculated for FY2004 would be \$13,563,000. The budget recommendation is currently at \$9,979,200 for VHCB's portion of the Property Transfer Tax, a reduction of \$3,583,800 from the statutory percentage. This reduction also reflects a 10% decrease from FY2003's Property Transfer Tax funding, as the prior year was also set below statutory levels. A reduction in VHCB's portion of the Property Transfer Tax will effect the number of housing units, farms, and other conservation lands that the Board will be able to fund. This occurs at a time when significant pressures being placed on the housing market and on Vermont's important open lands is reflected in the increases of the Property Transfer Tax revenues to the State. In recent years more parcels are selling at higher than expected prices due to pressure on limited housing stock and finite land resources.

Leverage and Match

VHCB and its grantees raise more than \$3 for each dollar appropriated. This ability to leverage is a critical component in the success of the endeavors the Board supports. As an example, Vermont almost tripled available capital for housing when congress established a small state minimum for the Low Income Housing Tax Credit program in 2001. However, the Tax Credit program provides only 50-60% of the capital needed to build housing. The program cannot work effectively without state match, particularly outside the Chittenden MSA.

In a similar vein, grantees seek assistance from nationally competitive programs like HUD 202, RD15, and Shelter Plus Care. Again these programs need state match for financing to work.

The Farmland Preservation Program provides its grants on a one-to-one match basis. The national program has increased funding from \$17 to \$100 million. We are hopeful that the FY03 grant for Vermont will be \$2.5 - \$3.5 million. Other conservation efforts provoke bargain sales, foundation grants and local fundraising.

Finally, VHCB has been awarded a variety of federal grants such as the Lead Paint Hazard Reduction award, AmeriCorps grants, and we hope this year to receive Farm Viability funds, as a result of Vermont's ability to provide partial program funds.

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Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vt Housing and Conservation Board	0	21,709,769	27,334,895	27,334,895	25,560,121
<hr/> TOTAL	<hr/> 0	<hr/> 21,709,769	<hr/> 27,334,895	<hr/> 27,334,895	<hr/> 25,560,121
FUND TYPE					
Special Fund		12,324,049	12,018,000	12,018,000	10,909,200
Federal Revenue Fund		9,385,720	15,316,895	15,316,895	14,650,921
<hr/> TOTAL		<hr/> 21,709,769	<hr/> 27,334,895	<hr/> 27,334,895	<hr/> 25,560,121

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Humanities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	21,709,769	27,334,895	27,334,895	25,560,121
TOTAL	21,709,769	27,334,895	27,334,895	25,560,121
FUND TYPE				
Special Fund	12,324,049	12,018,000	12,018,000	10,909,200
Federal Revenue Fund	9,385,720	15,316,895	15,316,895	14,650,921
TOTAL	21,709,769	27,334,895	27,334,895	25,560,121

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Humanities

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vermont Council on the Humanities	0	139,935	137,473	137,473	130,599
TOTAL	0	139,935	137,473	137,473	130,599
FUND TYPE					
General Fund		139,935	137,473	137,473	130,599
TOTAL		139,935	137,473	137,473	130,599

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Humanities

Description of Appropriations, Divisions, & Programs

The state allocation has and will continue to advance the work of leading Vermont toward full literacy. Vermont state participation is an essential component which complements federal funds and private donations. These appropriated funds not only pay for the material programs that we provide but demonstrate the State's commitment to a literate, well-read citizenry.

Examples of program successes:

1. Last year we were able to support over 2,500 humanities programs reaching Vermonters from every county.
2. In partnership with the Agency of Human Services, the Department of Health, local parent-child centers, and other service providers, we were able to furnish books through more than 100 Connections programs, the adult literacy student conference, and fifteen humanities camps which serve low-income families to develop a love of reading for all family members.
3. The Council's grants program, mini-grants, and Creating Communities of Readers grants provided over \$250,000 to historical societies, community groups for literacy, museums, adult basic education centers and other service organizations.
4. Lectures and performances through our Speakers Bureau in more than 100 Vermont towns and the autumn conference challenged participants to learn about history, literature, philosophy, and other humanities ideas that foster community building.
5. Our Never Too Early program furnished approximately 500 childcare providers with books and training to learn how to stimulate the love of reading in young children.
6. The Council sponsored over 275 book discussion programs for general audiences throughout the state.

We firmly believe it is critical to Vermont's future that every citizen be able to read, write and discuss ideas. The Vermont Council on the Humanities will continue our commitment to literacy for all Vermonters and to the enrichment by the humanities in the personal lives and public discourse of our State.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vermont Council on the Humanities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	139,935	137,473	137,473	130,599
TOTAL	139,935	137,473	137,473	130,599
FUND TYPE				
General Fund	139,935	137,473	137,473	130,599
TOTAL	139,935	137,473	137,473	130,599

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Transportation

Agency Mission Statement

Vermont is a rural state in which 251 towns, cities, and gores are connected by a network of roads, bridges, regional airports, rail lines, and public transit. Vermonts' transportation system is critical to its economic vitality and environmental health.

The mission of the Vermont Agency of Transportation (VTrans) is to manage a transportation system that allows for the safe movement of people and goods in a cost effective, environmentally sensitive and timely manner.

VTrans takes that responsibility seriously. Vermont's transportation system must respect the states character and natural environment, strengthen the economy, and maintain its rural development patterns. Key to the success of our vision are Vermonters' responses to these four questions:

- .. Are you satisfied that the transportation system in Vermont is safe?
- .. Are you satisfied that the financial investment in Vermont's transportation system is paying off?
- .. Are you satisfied that Vermont's transportation solutions respect the natural environment?
- .. Are you satisfied with the length of time that it takes to get yourself and your goods from place to place?

Description of Departments in Agency

The Vermont Agency of Transportation (VTrans) provides a number of services through four divisions: Operations, Policy and Planning, Finance and Administration, and Program Development, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting the VTrans mission. VTrans also provides assistance to Vermont municipalities through several Town Highway programs.

VTrans is now moving toward measuring and understanding services within five general categories:

- .. Safety
- .. Natural & Built Environment
- .. Productivity
- .. Mobility
- .. Organizational Performance

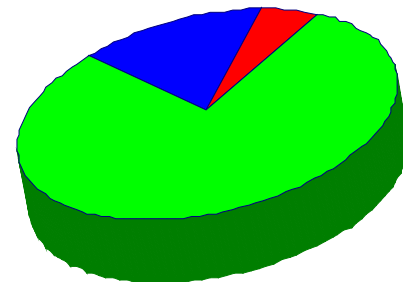
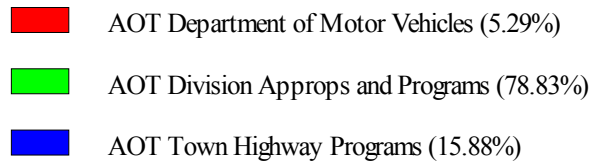
STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Transportation

In the coming years, VTrans will measure its performance by how well Vermonters' needs in each area are met. To assist in that effort, VTrans will continue to develop and improve systems of asset management, performance management, and safety management.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Agency of Transportation

AGENCY SUMMARY BY DEPARTMENT

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Department					
AOT Division Approps and Programs	1,070	254,283,999	250,182,383	262,149,774	278,449,939
AOT Department of Motor Vehicles	240	16,004,391	17,122,552	18,425,148	18,694,678
AOT Town Highway Programs	0	54,729,404	55,583,300	61,626,323	56,067,964
TOTAL	1,310	325,017,794	322,888,235	342,201,245	353,212,581
FUND TYPE					
Transportation Fund		154,434,327	153,796,356	172,658,295	163,613,851
Local Fund		2,410,365	3,170,308	3,173,292	3,256,472
Federal Revenue Fund		156,976,445	154,229,023	154,624,249	173,013,085
Internal Service Fund		11,196,657	11,692,548	11,745,409	12,495,879
Interdepartmental Transfer		0	0	0	833,294
TOTAL		325,017,794	322,888,235	342,201,245	353,212,581



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

Department Mission Statement

Vermont is a rural state in which 251 towns, cities, and gores are connected by a network of roads, bridges, regional airports, rail lines, and public transit. Vermont's transportation system is critical to its economic vitality and environmental health.

The mission of the Vermont Agency of Transportation (VTrans) is to manage a transportation system that allows for the safe movement of people and goods in a cost effective, environmentally sensitive and timely manner.

VTrans takes that responsibility seriously. Vermont's transportation system must respect the states character and natural environment, strengthen the economy, and maintain its rural development patterns. Key to the success of our vision are Vermonters' responses to these four questions:

- .. Are you satisfied that the transportation system in Vermont is safe?
- .. Are you satisfied that the financial investment in Vermont's transportation system is paying off?
- .. Are you satisfied that Vermont's transportation solutions respect the natural environment?
- .. Are you satisfied with the length of time that it takes to get yourself and your goods from place to place?

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) provides a number of services through four divisions: Operations, Program Development, Policy and Planning, and Finance and Administration, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting the VTrans mission.

VTrans is now moving toward measuring and understanding services within five general categories:

- .. Safety
- .. Natural & Built Environment
- .. Productivity
- .. Mobility
- .. Organizational Performance

In the coming years, VTrans will measure its performance by how well Vermonters' needs in

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

each area are met. To assist in that effort, VTrans will continue to develop and improve systems of asset management, performance management, and safety management.

VTrans delivers services to Vermonters through the following divisions and major programs.

OPERATIONS DIVISION

The primary mission of the Operations Division is to operate and maintain Vermont's state roads, airports, railways, and public transit systems. The division provides a comprehensive approach to managing these systems in a safe, aesthetically pleasing, cost effective, and environmentally sensitive manner.

The goal of the Aviation Program is to preserve and strengthen the states aviation infrastructure, to provide a safe environment for users of the system, to promote aviation-related activities and education programs, and to provide for expanded travel opportunities at the 17 public use airports located throughout Vermont. In recognition of the social, economic, and environmental importance of rail service as a component of the State's transportation systems, the Rail Program assists in the development of rail transportation options for shippers and passengers, and provides support to improve the freight and passenger infrastructure. The goal of the Public Transit Program is to encourage and promote a seamless statewide public transportation system and to coordinate specialized transit services with public transportation where appropriate to meet client needs.

PROGRAM DEVELOPMENT

The Program Development Division is responsible for the design, permitting and construction of all capital projects undertaken by VTrans.

The Paving Program is responsible for maintaining the surfaces of approximately 3,200 two-lane miles of paved road. The program divides roads into three networks: Interstate, State Highway, and Class 1 Town Highway. Program functions include monitoring and analyzing pavement conditions, developing rehabilitation strategies preparing plans and specifications, and providing technical assistance during construction.

Bridges are an integral part of Vermont's highway infrastructure and VTrans Bridge Program makes it a high priority to keep them in a safe and usable condition. The program is fully responsible for 2,656 bridges with spans of greater than six feet on the state and town systems, and oversees a bridge inspection program on all public bridges over 20 feet in length regardless of ownership. Inspections are performed on a two-year cycle with more frequent inspections for certain bridges. The Structures Section also oversees the inspection and repair/replacement of bridges on the state owned railroads.

The Roadway Program addresses those locations that have been identified as either structurally deficient or hazardous to the traveling public. Roadway projects generally fall into one of three

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

categories: reconstruction, rehabilitation, or restoration.

The Local Transportation Facilities Program consists of four major components: the Enhancement Program, the Bike & Pedestrian Facilities program, the Park & Ride program, and the Local Projects Program. Most of the Enhancement Programs projects have a high degree of local focus and for the most part are managed by the local municipality.

The Traffic Operations Section implements operational and safety improvements on the highways. Projects include traffic signal and flashing beacon installation, monitoring and replacement of signs and pavement markings, the identification and evaluation of hazardous locations on the highway system and upgrades to rail-highway crossings.

Technical Services supplies technical support to VTrans, the Regional Planning Commissions, the Act 250 Commissions, town governments and the citizens of Vermont through the following Sections: Plan Support, Environmental Permitting, Technical Support, Right-of-Way, and the Materials and Research Lab.

POLICY & PLANNING

The Policy & Planning Division works with Regional Planning Commissions and the Chittenden County Metropolitan Planning Organization to provide comprehensive, coordinated transportation plans for future improvements to the transportation system. The division oversees VTrans strategic planning, including asset management, performance management, and safety management.

The Policy Analysis Section assists the Secretary in analyzing federal transportation policy and reauthorization issues, manages the Legislative Liaison function of the Agency, updates the States 20 year long range transportation plan at 5 year intervals, and serves on various Inter-Agency Task Forces and Committees related to Smart Growth Initiatives, Welfare to Work program delivery, Intelligent Transportation Systems, and alternative fuel transportation.

The Systems Planning Section manages the day to day operations of the Transportation Planning Initiative, which engages Vermonts citizens, towns, regional planning commissions, and the Chittenden County Metropolitan Planning Organization in dialogue about issues of transportation planning and needs identification. Systems Planning also provides freight systems analysis and planning, statewide transportation modeling and intermodal operational planning.

The Office of Civil Rights and Labor Compliance is responsible for ensuring compliance with all federal and state Equal Employment Opportunity and Affirmative Action regulations and labor requirements within the Agency and on all US Department of Transportation funded projects. VTrans' goal of creating workforce diversity and a workplace free from harassment, intimidation and discrimination, is pursued through the development and administration of numerous

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

programs and initiatives.

FINANCE & ADMINISTRATION

The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve VTrans' goal of a safe, effective, balanced transportation system for the State of Vermont. The division's goal is to maximize our financial and human resources and improve our business practices to meet the needs of our internal and external customers. The division consists of the following sections: Audit, Contract Administration, Automated Services, Budget and Financial Operations, Human Resources, and Policy and Hearings.

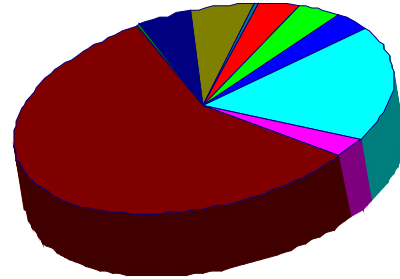
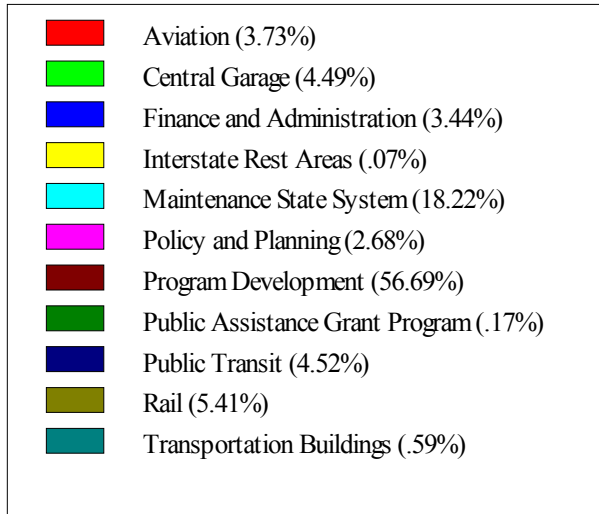
Audit provides audit assistance to VTrans' management and audit assurance about VTrans' administration of public funds. Contract Administration is responsible for the performance of various contracting functions. Automated Services is responsible for assessing and supporting VTrans' information technology requirements. Budget and Financial Operations oversees the development and control of the VTrans budget and processes all financial and related transactions. Human Resources provides all of VTrans' personnel related activities including training, recruitment, benefits administration, and labor relations. Policy and Hearings is responsible for holding Agency administrative hearings, testifying in court on Agency records, and administration of VTrans' internal policies.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Finance and Administration	138	8,907,663	9,452,748	9,660,986	9,604,062
Aviation	7	10,100,392	7,665,000	8,358,415	10,377,080
Transportation Buildings	0	2,181,605	1,565,000	2,713,348	1,650,000
Program Development	211	132,463,717	120,964,019	123,402,485	157,819,481
Interstate Rest Areas	0	5,609,011	8,111,699	8,716,673	195,000
Maintenance State System	499	46,825,354	46,926,890	48,397,585	50,722,184
Policy and Planning	30	18,446,416	18,360,662	18,966,364	7,474,719
Rail	12	12,497,581	18,696,994	22,959,045	15,057,301
Technical Services	132	6,055,603	6,746,823	7,229,464	0
Public Assistance Grant Program	0	0	0	0	461,001
Public Transit	0	0	0	0	12,593,232
Central Garage	41	11,196,657	11,692,548	11,745,409	12,495,879
TOTAL	1,070	254,283,999	250,182,383	262,149,774	278,449,939
FUND TYPE					
Transportation Fund		100,366,991	100,467,399	111,987,966	108,867,376
Local Fund		296,622	1,211,308	1,214,292	1,488,014
Federal Revenue Fund		142,423,729	136,811,128	137,202,107	154,765,376
Internal Service Fund		11,196,657	11,692,548	11,745,409	12,495,879
Interdepartmental Transfer		0	0	0	833,294
TOTAL		254,283,999	250,182,383	262,149,774	278,449,939

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs**



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	7,194,206	8,009,248	8,217,486	8,395,552
Operating Expenses	1,463,457	1,143,500	1,143,500	1,208,510
Grants	250,000	300,000	300,000	0
<hr/> TOTAL	<hr/> 8,907,663	<hr/> 9,452,748	<hr/> 9,660,986	<hr/> 9,604,062
FUND TYPE				
Transportation Fund	8,193,967	8,734,748	8,931,480	9,158,562
Federal Revenue Fund	713,696	718,000	729,506	445,500
<hr/> TOTAL	<hr/> 8,907,663	<hr/> 9,452,748	<hr/> 9,660,986	<hr/> 9,604,062

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Aviation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	1,192,565	1,478,213	1,491,179	1,174,245
Operating Expenses	8,872,827	6,151,787	6,832,236	9,152,835
Grants	35,000	35,000	35,000	50,000
<hr/> TOTAL	<hr/> 10,100,392	<hr/> 7,665,000	<hr/> 8,358,415	<hr/> 10,377,080
 FUND TYPE				
Transportation Fund	2,681,608	2,535,000	3,227,118	2,892,080
Federal Revenue Fund	7,418,784	5,130,000	5,131,297	7,485,000
<hr/> TOTAL	<hr/> 10,100,392	<hr/> 7,665,000	<hr/> 8,358,415	<hr/> 10,377,080

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transportation Buildings

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	319,330	135,000	135,000	295,000
Operating Expenses	1,862,275	1,430,000	2,578,348	1,355,000
<hr/> TOTAL	<hr/> 2,181,605	<hr/> 1,565,000	<hr/> 2,713,348	<hr/> 1,650,000
FUND TYPE				
Transportation Fund	2,181,605	1,565,000	2,713,348	1,650,000
<hr/> TOTAL	<hr/> 2,181,605	<hr/> 1,565,000	<hr/> 2,713,348	<hr/> 1,650,000

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Program Development**

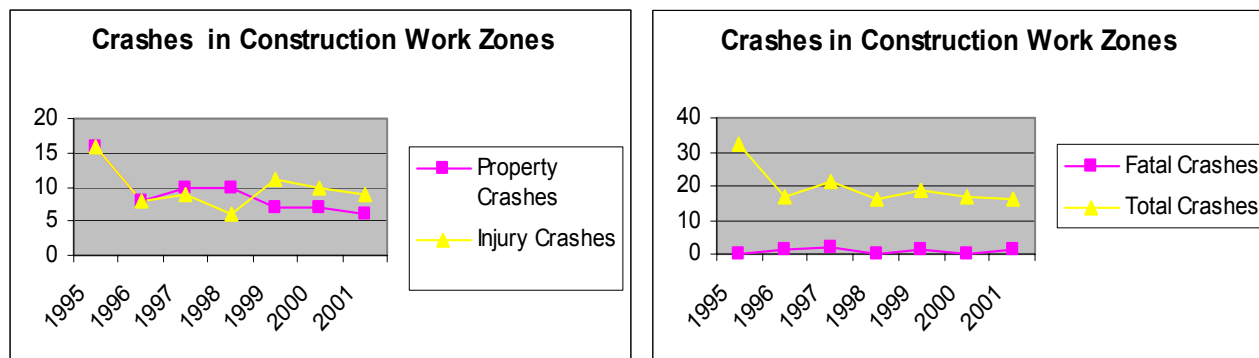
Performance Program Information

Highway Construction Work Zone Compliance Program

Results:

The Traffic Operation Section ensures work zone compliance by facilitating work zone safety education and by monitoring work zones for compliance with the Manual on Uniform Traffic Control Devices (MUTCD) and Agency Standards.

Key Indicators:



Notes: A "Property Crash" is one that involves property damage. The same is true for "Injury" and "Fatal" crashes. "Total Crashes" are the sum of the other categories. A crash is listed in one category only.

Story Behind Baseline Performance:

Nationwide, fatalities and injuries are on the rise in highway work zones. Rural roads have the highest rate of fatalities per vehicle miles traveled of all types of highways. Vermont is no exception. Highway construction work zones are one of the most dangerous places for our highway worker population. Overall, work zone accidents have been in the 15 –20 incidents per year range for the past 7 years with one year showing above the 30 incidents per year level.

The indicators shown are for state owned roads only. There are, however, work zones set up by other non-VTrans entities such as utility companies and organizations doing work under a state issued permit. Results such as the indicators shown can, therefore, be influenced by entities outside of VTrans and programs must "cross" organizational lines to be effective.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Program Development

Public awareness projects with increased Public Service Announcements such as “Give em a Brake” have had some impact and have reduced accidents. The effectiveness seems to have leveled off in the past few years. Doubling fines in work zones along with increased law enforcement (“blue light”) presence has also helped, but the number of accidents should still be considered too high.

In the past year, VTrans has emphasized Work Zones safety with increased training and inspections. A Work Zone Guide has been published for distribution to contractors, utilities, municipalities and state forces. A Work Zone Working Group has been established with representation from utilities, law enforcement, trade organizations, municipalities and the Federal Highway Administration.

Strategies:

1. Provide training on construction work zone safety design.
2. Provide training for construction work zone implementation and maintenance.
3. Perform work zone compliance inspections.
4. Utilize new technology to improve work zone safety.

Performance Measures:

	<u>FY 02</u>	<u>FY03</u> (Est.)	<u>FY04</u> (Est)
<u>What / How much do we do?</u>			
1. Training’s held:	3	4	4
2. Work Zone inspections	1	13	14
<u>How well do we do it?</u>			
1. Number of people trained	120	120	120
2. Corrective Actions taken	1	13	12
<u>Is anybody better off?</u>			
1. Number of Accidents	**	15	14

Notes:

** Data not yet available (FY2001 = 16)

What Do We Propose To Do To Improve Performance?

1. Continue refresher training on MUTCD changes. Continue training of District and Construction Staff. Distribute 5,000 Work Zone Guides. Develop Work Zone safety course for Police Academy Training Program.
2. Continue work zone compliance inspections using Traffic Operations regional investigators and

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Program Development**

District Forces .

3. Conduct end of season debriefing with construction personnel to determine lessons learned.
4. Increase use of radar carts and radar warning devices to provide work zone speed indications and awareness to motorist.
5. Utilize Work Zone Working group to improve communications and compliance.

FY04 Key Budget Issues:

Costs of compliance Inspection will be carried in the individual construction project budgets rather than in Traffic Operations budget for purposes of federal funds participation.

FY04 Budget

Costs for compliance inspection are estimated to average \$1500.00 per project

Training costs are estimated at \$10,000 for the year and are included in the Traffic Operations budget of Project Development.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Program Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	28,494,501	32,224,774	32,554,648	36,076,170
Operating Expenses	95,910,767	71,295,867	73,404,459	97,162,680
Grants	8,058,449	17,443,378	17,443,378	24,580,631
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	132,463,717	120,964,019	123,402,485	157,819,481
 FUND TYPE				
Transportation Fund	23,083,415	24,177,572	26,373,819	31,217,823
Local Fund	296,622	1,143,808	1,146,792	1,420,513
Federal Revenue Fund	109,083,680	95,642,639	95,881,874	125,181,145
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	132,463,717	120,964,019	123,402,485	157,819,481

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Interstate Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	639,631	826,000	826,000	75,000
Operating Expenses	4,968,247	7,285,699	7,890,673	120,000
Grants	1,133	0	0	0
<hr/> TOTAL	<hr/> 5,609,011	<hr/> 8,111,699	<hr/> 8,716,673	<hr/> 195,000
 FUND TYPE				
Transportation Fund	561,029	484,199	1,089,173	19,500
Federal Revenue Fund	5,047,982	7,627,500	7,627,500	175,500
<hr/> TOTAL	<hr/> 5,609,011	<hr/> 8,111,699	<hr/> 8,716,673	<hr/> 195,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Maintenance State System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	25,631,322	26,845,972	27,486,332	28,861,011
Operating Expenses	21,194,032	20,080,918	20,911,253	21,861,173
<hr/> TOTAL	<hr/> 46,825,354	<hr/> 46,926,890	<hr/> 48,397,585	<hr/> 50,722,184
FUND TYPE				
Transportation Fund	46,474,152	46,926,890	48,397,585	50,422,184
Federal Revenue Fund	351,202	0	0	300,000
<hr/> TOTAL	<hr/> 46,825,354	<hr/> 46,926,890	<hr/> 48,397,585	<hr/> 50,722,184

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Policy and Planning

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,637,999	2,378,535	2,624,237	3,114,719
Operating Expenses	389,317	1,069,555	1,069,555	395,560
Grants	15,419,100	14,912,572	15,272,572	3,964,440
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	18,446,416	18,360,662	18,966,364	7,474,719
 FUND TYPE				
Transportation Fund	5,651,974	6,014,764	6,586,472	1,407,461
Local Fund	0	67,500	67,500	0
Federal Revenue Fund	12,794,442	12,278,398	12,312,392	6,067,258
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	18,446,416	18,360,662	18,966,364	7,474,719

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Rail

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,315,593	2,638,321	2,658,464	1,760,212
Operating Expenses	10,181,988	16,058,673	20,300,581	13,297,089
<hr/> TOTAL	<hr/> 12,497,581	<hr/> 18,696,994	<hr/> 22,959,045	<hr/> 15,057,301
FUND TYPE				
Transportation Fund	8,631,993	6,243,074	10,499,041	7,310,836
Federal Revenue Fund	3,865,588	12,453,920	12,460,004	7,746,465
<hr/> TOTAL	<hr/> 12,497,581	<hr/> 18,696,994	<hr/> 22,959,045	<hr/> 15,057,301

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Technical Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,720,148	5,394,368	5,619,056	0
Operating Expenses	1,334,842	1,352,455	1,610,408	0
Grants	613	0	0	0
<hr/> TOTAL	<hr/> 6,055,603	<hr/> 6,746,823	<hr/> 7,229,464	<hr/> 0
FUND TYPE				
Transportation Fund	2,907,248	3,786,152	4,169,930	0
Federal Revenue Fund	3,148,355	2,960,671	3,059,534	0
<hr/> TOTAL	<hr/> 6,055,603	<hr/> 6,746,823	<hr/> 7,229,464	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Assistance Grant Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	0	0	0	461,001
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 461,001
FUND TYPE				
Special Fund	0	0	0	1
Federal Revenue Fund	0	0	0	461,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 461,001

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	0	0	0	402,093
Operating Expenses	0	0	0	705,460
Grants	0	0	0	11,485,679
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 12,593,232
FUND TYPE				
Transportation Fund	0	0	0	4,788,930
Local Fund	0	0	0	67,500
Federal Revenue Fund	0	0	0	6,903,508
Interdepartmental Transfer	0	0	0	833,294
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 12,593,232

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	2,567,588	2,705,742	2,758,603	2,947,557
Operating Expenses	8,629,069	8,986,806	8,986,806	9,548,322
<hr/> TOTAL	<hr/> 11,196,657	<hr/> 11,692,548	<hr/> 11,745,409	<hr/> 12,495,879
FUND TYPE				
Internal Service Fund	11,196,657	11,692,548	11,745,409	12,495,879
<hr/> TOTAL	<hr/> 11,196,657	<hr/> 11,692,548	<hr/> 11,745,409	<hr/> 12,495,879

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

Department Mission Statement

The Department of Motor Vehicle's mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of customer service and satisfaction and to perform these tasks in a timely and cost-effective manner.

Description of Appropriations, Divisions, & Programs

The Department of Motor Vehicles (DMV) is responsible for issuing driver licenses, permits, motor vehicle registrations (including snowmobile and motorboat registrations), driver license suspensions and reinstatements, and collecting motor fuel revenue for the State of Vermont. To this end the department serves a resident population of over 608,000 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: within 45 minutes
- Telephone queue time: 4 minutes maximum
- Driver license exam schedule: within 2 weeks
- Internal processing time: within 11 workdays
- Recruitment period for vacancies: within 8 weeks
- Approval and setup of new inspection stations: within 30 calendar days
- Investigations initiated within priority standard by investigation type: High Priority - usually within 24 - 48 hours of receipt.

The Department is comprised of three divisions: Enforcement & Safety, Operations, and Support Services.

The Enforcement & Safety Division is primarily responsible for enforcing commercial trucking regulations, providing highway safety training and informational program, and regulatory and investigative functions concerning illegal or questionable activities relating to licensing, registration and title fraud, dealer and inspection regulations and general law enforcement support services. This Division manages the following programs within the Department:

Commercial Vehicle Enforcement Program: The Commercial Vehicle Enforcement Program is comprised of three programs: the federally sponsored Motor Carrier Safety Assistance program (MCSAP), the Size and Weight program and the Commercial Vehicle Permit program.

Inspection and Emissions Program: The Department of Motor Vehicles has worked

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

closely with the Agency of Natural Resources (ANR) Air Quality Division to help develop and implement measures that will reduce the level of contaminants in the air. DMV has also worked closely with ANR to educate the inspection mechanics on the proper methods of conducting OBD II inspections.

Education & Safety Programs: The Education & Safety program encompasses the driver training schools and instructor program, the third party testing program, the Vermont Rider Education Program (VREP) and Pupil Transportation Safety. The VREP program, which deals with safe motorcycle operation, will be reported on in a separate document.

New Motor Vehicle Arbitration Board: The Department provides administrative assistance to this Board which under Vermont's Lemon Law provides a fast, efficient, and inexpensive remedy for consumers who purchase new cars that, despite numerous repair attempts by the dealer under the warranty, still have not been repaired.

The Operations Division is responsible for all license, registration, driver examination, size and weight permit, driver improvement, fuel tax collection, and mail services functions for the Department of Motor Vehicles and manages the following programs:

Registration and License Program: This is the Department's largest program, encompassing 70% of total resources, including all customer service functions (Montpelier Counter, branch offices, mobile van operations and telephone information services), mail processing, license suspension and reinstatement, accident reporting, the International Registration Plan, commercial vehicle operations, and all backroom operations (including data entry, quality control, and imaging and retrieval of departmental records functions).

Fuel Tax Collection Program: The goals of this program are to collect and distribute fuel taxes, maintain accurate and reliable records, track delinquent accounts, and initiate suspension on accounts that in arrears.

The Support Services Division is responsible for DMV facility management, budget planning and financial services, human resources, and project management. This Division manages the following programs:

DMV Administration: The primary focus of the Department continues to be improving customer service. DMV Administration continues to monitor customer feedback closely and make improvements where feasible. In FY 03, we implemented expanded hours one day a week at the Burlington office on a pilot basis. Since this has been successful, not only will the Burlington office maintain the expanded hours, DMV is planning to implement expanded hours at other offices on a progressive basis.

DMV continues to encounter the challenge of maintaining a full staff. In FY 01, the Department

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

met the 8-week vacancy period 90% of the time. However, the hiring freezes of FY 02 had a tremendous impact on its ability to meet the 8-week vacancy period, since many of the Department's positions are entry-level, which are difficult to fill within State Government.

The Department continues to attempt to improve its service delivery through technology. DMV has implemented a significant replacement upgrade of its Imaging system. The upgrade allows records related to suspensions and reinstatements to be stored and retrieved on-line. DMV is also in the process of enhancing its photo license system by adding security features to its identity documents and issuing vertical as well as horizontal licenses as a means to combat the underage-drinking problem. DMV is also in the final stages of implementing the processing of registration renewals via the Web.

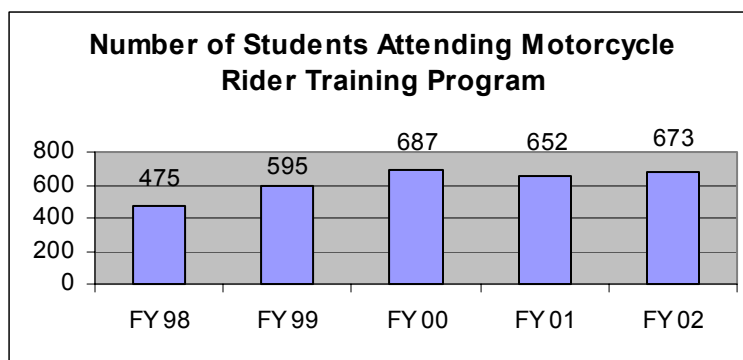
Performance Program Information

Motorcycle Training Program

Results:

The Motorcycle Training Program encompasses two education program components: the Vermont Rider Education Program (VREP) and the Vermont Motorcycle Awareness Program (VMAP, which is still in the design stage). These programs seek to improve the knowledge and skills of motorcycle operators through classroom and hands-on training.

Headline Measures:



Story Behind the Baseline Performance:

The VREP had another successful season in 2002. 673 students attended the 66 courses offered. This is an increase of 3.2% over the students served in 2001, even though there was a decrease of 1.5% in the number of courses offered due to loss of two sites: one to a construction project and the Air National Guard site to the aftermath of September 11, 2001. As the numbers indicate, there is a continuing

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

demand for the program by novice operators.

There has been a major change in the administration of the program this year. In prior years a contractor, who was certified by the Motorcycle Safety Foundation as a Chief Instructor, handled the day-to-day operations of the program. This year the Department has hired a full time Program Specialist whose duties include managing the daily operations of the VREP and implementing the VMAP. The contractor had also subcontracted the site managers, instructors and range aides. This year they were hired as a special type of temporary employee under the direct management of the DMV Program Specialist.

What Will Be Done to Improve Performance:

Increasing Program Participation

1. DMV, working with AOT, has secured an additional training site, Fort Ethan Allen in Colchester. We continue to talk with AOT about the use other facilities that currently exist or that in the process of being planned or built. DMV has also contacted Vermont Technical College and Blue Cross Blue Shield of Vermont about the feasibilities of using their facilities in the future.
2. While a formal plan has not yet been developed to recruit and retain more VREP instructors, we have had eight motorcyclists who have completed applications to become VREP/MSF instructors. We have had additional queries from three motorcyclists though we have not received their applications as of this writing.

Improving and Assessing Program Effectiveness

On on-going problem of this program is the high number of no shows, people who are scheduled for a VREP course but never show. In an attempt to reduce the number of no shows during the FY 02 season, each scheduled attendee was sent a reminder card one week before he/she was scheduled to attend a VREP course. There was no change in the percentage of no shows, which remained at 8.6%. We will investigate other strategies during FY 03.

One of our goals for FY 03 is to develop a means to “flag” the name/license file of program graduates in order to more readily identify those motorcycle endorsement holders who have received VREP training. This has not yet been addressed as of this writing, though it will be worked on in the near future. Once the method of identifying VREP participants is implemented, we will be able to begin evaluating motorcycle accident data for program participants versus non-participants, as well as other statistical information.

In order to evaluate the overall satisfaction of the participants taking the VREP courses, we plan to revise the program evaluation form. A new form is being developed that will provide the participants will eight rating categories including range instruction, classroom instruction, price, and overall course satisfaction.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate
What/How Much Do We Do?						
Number of Students Served	595	687	652	673	707	742
Number of Courses Offered	62	65	67	66	76	76
Number of Sites Available	5	5	4	5	6	6
Money Spent on Program	\$182,599	\$119,363	\$117,051	\$153,154	\$220,834	\$209,838
How Well Do We Do It?						
% Students Completing Program	85.0%	86.9%	85.0%	86.9%	85.3%	84.2%
Unit Cost of Service	\$306.89	\$173.75	\$179.53	\$227.57	\$312.35	\$282.80
% Who Do Not Complete Program	15.0%	13.1%	14.7%	13.1%	13.5%	11.0%
% of No Shows	4.5%	9.3%	8.3%	8.7%	8.0%	7.2%
% Increase/Decrease in Participation	25.0%	16.0%	-5.0%	3.2%	5.0%	5.0%
Is Anyone Better Off?						
% Mtc. Endorsement Holders that are Program Graduates	6.8%	7.6%	8.1%	8.2%	9.0%	9.5%
% of Mtc. Fatalities Involving Program Graduates	0%	N/A	N/A	0%	0%	0%

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Department of Motor Vehicles	240	16,004,391	17,122,552	18,425,148	18,694,678
<hr/> TOTAL	<hr/> 240	<hr/> 16,004,391	<hr/> 17,122,552	<hr/> 18,425,148	<hr/> 18,694,678
FUND TYPE					
Transportation Fund		15,440,689	16,434,068	17,732,417	17,449,809
Federal Revenue Fund		563,702	688,484	692,731	1,244,869
<hr/> TOTAL		<hr/> 16,004,391	<hr/> 17,122,552	<hr/> 18,425,148	<hr/> 18,694,678

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	11,187,497	12,012,652	13,200,248	13,252,989
Operating Expenses	4,699,136	5,009,900	5,124,900	5,341,689
Grants	117,758	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 16,004,391	<hr/> 17,122,552	<hr/> 18,425,148	<hr/> 18,694,678
 FUND TYPE				
Transportation Fund	15,440,689	16,434,068	17,732,417	17,449,809
Federal Revenue Fund	563,702	688,484	692,731	1,244,869
<hr/> TOTAL	<hr/> 16,004,391	<hr/> 17,122,552	<hr/> 18,425,148	<hr/> 18,694,678

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

Department Mission Statement

The Vermont Agency of Transportation provides all municipalities with several types of assistance including monetary pass through grants, technical services, special studies, emergency relief or actual roadway maintenance. Program success can be demonstrated in terms of availability and actual use by the towns, which might not otherwise be able to improve or maintain their infrastructure, or provide the technical expertise required to design necessary repairs or improvements.

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) provides Vermont municipalities with assistance through several Town Highway programs: Bridges, Structures, Class 2 Roadway, Emergency Fund, Town Highway Aid Program, Class 1 Supplemental Grants, Vermont Local Roads, and general technical assistance.

The Town Highway Bridge Program assists towns with bridge engineering services and for aid in maintaining and constructing bridges having a span of six feet or more on Class 1, 2, and 3 town highways. Towns apply to VTrans for assistance. If approved, funds may be used for alternatives which eliminate the need for a bridge or bridges, including, but not limited to, construction or reconstruction of highways, purchase of parcels of land that would be landlocked by closure of a bridge or bridges, payment of damages for loss of highway access and substitution of other means of access.

The Town Highway Structures Program provides grants to municipalities for maintenance, including actions to extend life expectancy, and construction of bridges, culverts and other structures, including causeways and retaining walls intended to preserve the integrity of the traveled portion of Class 1, 2 and 3 town highways. Towns apply to VTrans for assistance.

The Town Highway Class 2 Roadway Program provides grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved Class 2 town highways. Towns apply to VTrans for assistance.

The Town Highway Emergency Fund provides emergency aid in repairing, building, or rebuilding Class 1, 2 or 3 town highways and bridges damaged by natural or man-made disasters of such magnitude that state aid is both reasonable and necessary to preserve the public good.

Town Highway Aid Program is provided annually to each municipality in the state. The size of each grant is based on the total amount of money appropriated for this program by the Legislature, and the Class 1, 2, and 3 highway mileage in each of the 251 towns. Funds may be used for town highway construction, improvement, or maintenance purposes or as the nonfederal

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Town Highway Programs**

share for public transit assistance.

The Town Highway Class 1 Supplemental Grants provide aid to municipalities having Class 1 town highways with more than two lanes.

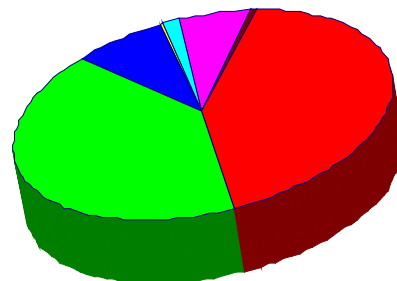
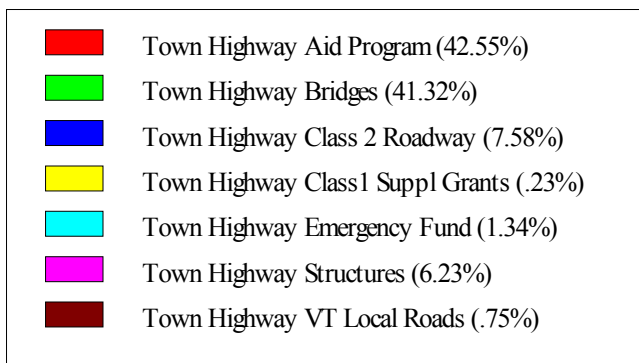
The Vermont Local Roads Program, through a contract with Saint Michael's College, provides technical assistance to towns in areas including planning, engineering, construction and maintenance assistance, and legal advice.

General Assistance is provided by Districts to towns, as time/conditions permit, on road/bridge concerns, associated grants, and disaster recovery efforts.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Town Highway Structures	0	2,733,180	3,494,500	7,371,086	3,494,500
Town Highway Emergency Fund	0	162,643	182,111	740,204	750,000
Town Highway VT Local Roads	0	396,200	423,000	509,322	423,000
Town Highway Class 2 Roadway	0	4,889,723	4,248,750	5,767,686	4,248,750
Town Highway Bridges	0	23,649,165	23,248,445	23,251,530	23,165,220
Town Highway Aid Program	0	22,769,743	23,857,744	23,857,745	23,857,744
Town Highway Class1 Suppl Grants	0	128,750	128,750	128,750	128,750
TOTAL	0	54,729,404	55,583,300	61,626,323	56,067,964
FUND TYPE					
Transportation Fund		38,626,647	36,894,889	42,937,912	37,296,666
Local Fund		2,113,743	1,959,000	1,959,000	1,768,458
Federal Revenue Fund		13,989,014	16,729,411	16,729,411	17,002,840
TOTAL		54,729,404	55,583,300	61,626,323	56,067,964



STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Structures

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	2,733,180	3,494,500	7,371,086	3,494,500
<hr/> TOTAL	<hr/> 2,733,180	<hr/> 3,494,500	<hr/> 7,371,086	<hr/> 3,494,500
FUND TYPE				
Transportation Fund	2,733,180	3,494,500	7,371,086	3,494,500
<hr/> TOTAL	<hr/> 2,733,180	<hr/> 3,494,500	<hr/> 7,371,086	<hr/> 3,494,500

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	162,643	182,111	740,204	750,000
TOTAL	162,643	182,111	740,204	750,000
FUND TYPE				
Transportation Fund	162,643	182,111	740,204	750,000
TOTAL	162,643	182,111	740,204	750,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	396,200	423,000	509,322	423,000
<hr/> TOTAL	<hr/> 396,200	<hr/> 423,000	<hr/> 509,322	<hr/> 423,000
FUND TYPE				
Transportation Fund	248,377	283,000	369,322	283,000
Federal Revenue Fund	147,823	140,000	140,000	140,000
<hr/> TOTAL	<hr/> 396,200	<hr/> 423,000	<hr/> 509,322	<hr/> 423,000

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	4,889,723	4,248,750	5,767,686	4,248,750
<hr/> TOTAL	<hr/> 4,889,723	<hr/> 4,248,750	<hr/> 5,767,686	<hr/> 4,248,750
FUND TYPE				
Transportation Fund	4,889,723	4,248,750	5,767,686	4,248,750
<hr/> TOTAL	<hr/> 4,889,723	<hr/> 4,248,750	<hr/> 5,767,686	<hr/> 4,248,750

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	4,893,635	4,003,430	4,003,430	3,242,934
Operating Expenses	17,326,922	17,620,015	17,623,100	17,854,286
Grants	1,428,608	1,625,000	1,625,000	2,068,000
<hr/> TOTAL	<hr/> 23,649,165	<hr/> 23,248,445	<hr/> 23,251,530	<hr/> 23,165,220
FUND TYPE				
Transportation Fund	7,694,231	4,700,034	4,703,119	4,533,922
Local Fund	2,113,743	1,959,000	1,959,000	1,768,458
Federal Revenue Fund	13,841,191	16,589,411	16,589,411	16,862,840
<hr/> TOTAL	<hr/> 23,649,165	<hr/> 23,248,445	<hr/> 23,251,530	<hr/> 23,165,220

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	22,769,743	23,857,744	23,857,745	23,857,744
TOTAL	22,769,743	23,857,744	23,857,745	23,857,744
FUND TYPE				
Transportation Fund	22,769,743	23,857,744	23,857,745	23,857,744
TOTAL	22,769,743	23,857,744	23,857,745	23,857,744

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Grants	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transportation Board

Department Mission Statement

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. These responsibilities include response to appeals, petitions and specific activities pursuant to the statutory authority; i.e. Highways (19 V.S.A.), Aeronautics and Surface Transportation (5 V.S.A.), and Railroads (30 V.S.A. Part 2).

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. Among its many and varied responsibilities are the following:

1. Hear appeals from Agency decisions and rulings regarding measurement, description or reclassification of town highways. Pursuant to Section 305 of 19 V.S.A.
2. Hear and determine small claims pursuant to Section 20 of 19 V.S.A.
3. Provide appellate review, when requested in writing, of decisions of the secretary of transportation when he or she assumes the powers and duties of a selectboard in highway matters in unorganized towns and gores pursuant to Section 16 of 19 V.S.A.
4. Provide appellate review, when requested in writing, regarding legal disputes in the execution of contracts.
5. Provide appellate review, when requested in writing, of decisions of the secretary in administering the provisions of 24 V.S.A., relating to junkyards.
6. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
7. Hear and determine disputes involving the decision of a selectboard under subdivision 302(a)(3)(B) or subsection 310(a) of 19 V.S.A., not to plow and make negotiable a Class 2 or 3 town highway during the winter.
8. When requested by the secretary, conduct public hearings on matters of public interest, after which it shall transmit its findings and recommendations to the secretary and the chairs of the senate and house committees on transportation in a report which shall be a public document.
9. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
10. Designate state scenic roads and corridors (19 V.S.A. Section 2501(a)).
11. Approve new highway or public ways opening into or connecting with established limited access highways.
12. Issue findings orders regarding rail-highway grade crossings, farm crossings and other railroad related responsibilities outlined in Title 5.
13. Approval of airports and restricted landing areas pursuant to Title 5, Section 207 (a-h).

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transportation Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Transportation Board	1	85,990	74,762	81,902	38,500
TOTAL	1	85,990	74,762	81,902	38,500
FUND TYPE					
Transportation Fund		85,990	74,762	81,902	38,500
TOTAL		85,990	74,762	81,902	38,500

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Transportation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	67,556	60,434	62,334	26,627
Operating Expenses	18,434	14,328	19,568	11,873
<hr/> TOTAL	<hr/> 85,990	<hr/> 74,762	<hr/> 81,902	<hr/> 38,500
FUND TYPE				
Transportation Fund	85,990	74,762	81,902	38,500
<hr/> TOTAL	<hr/> 85,990	<hr/> 74,762	<hr/> 81,902	<hr/> 38,500

**STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Transportation Authority**

Department Mission Statement

The Vermont Transportation Authority was established by 29 V.S.A. Chapter 16 to oversee the acquisition, operation, maintenance, support, improvement, development and extension of railroad passenger train service and facilities.

Description of Appropriations, Divisions, & Programs

The Vermont Transportation Authority Board (VTA) was established by 29 V.S.A. to oversee the acquisition, operation, maintenance, support, improvement, development and extension of railroad passenger train service and facilities.

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Transportation Authority

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2003	FY 2002	FY 2003		FY 2004
	Pos. #	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Appropriation					
Vt Transportation Authority	1	2,506,049	2,606,297	2,622,601	0
<hr/> TOTAL	<hr/> 1	<hr/> 2,506,049	<hr/> 2,606,297	<hr/> 2,622,601	<hr/> 0
FUND TYPE					
Transportation Fund		496,461	521,259	536,143	0
Federal Revenue Fund		2,009,588	2,085,038	2,086,458	0
<hr/> TOTAL		<hr/> 2,506,049	<hr/> 2,606,297	<hr/> 2,622,601	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Vt Transportation Authority

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Personal Services	268,359	116,697	122,021	0
Operating Expenses	700,228	977,400	983,437	0
Grants	32,748	1,512,200	1,517,143	0
Land Structures & Improve Budg	1,504,714	0	0	0
<hr/> TOTAL	<hr/> 2,506,049	<hr/> 2,606,297	<hr/> 2,622,601	<hr/> 0
FUND TYPE				
Transportation Fund	496,461	521,259	536,143	0
Federal Revenue Fund	2,009,588	2,085,038	2,086,458	0
<hr/> TOTAL	<hr/> 2,506,049	<hr/> 2,606,297	<hr/> 2,622,601	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	23,806,256	72,653,346	72,653,346	24,330,779
<u>TOTAL</u>	<u>23,806,256</u>	<u>72,653,346</u>	<u>72,653,346</u>	<u>24,330,779</u>
FUND TYPE				
General Fund	22,005,182	66,958,806	66,958,806	22,875,239
Transportation Fund	841,689	2,835,622	2,835,622	627,555
Education Fund	0	200,000	200,000	0
Special Fund	959,385	2,658,918	2,658,918	827,985
<u>TOTAL</u>	<u>23,806,256</u>	<u>72,653,346</u>	<u>72,653,346</u>	<u>24,330,779</u>

STATE OF VERMONT
FISCAL YEAR 2004 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2002	FY 2003		FY 2004
	FY02 Actuals	FY03 Appropriated	FY03 Estimated Expenditure	FY04 Agency Request
Major Object				
Operating Expenses	45,392,554	0	0	46,361,699
TOTAL	45,392,554	0	0	46,361,699
FUND TYPE				
General Fund	41,894,189	0	0	43,026,967
Transportation Fund	2,068,365	0	0	1,779,732
Special Fund	1,430,000	0	0	1,555,000
TOTAL	45,392,554	0	0	46,361,699